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MAXIMUM PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES

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HEARING BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES NINETY-FIRST CONGRESS

FIRST SESSION

ON

H.R. 337

TO INCREASE THE MAXIMUM RATE OF PER DIEM ALLOW-
ANCE FOR EMPLOYEES OF THE GOVERNMENT TRAVELING
ON OFFICIAL BUSINESS

MARCH 19, 1969

Printed for the use of the Committee on Government Operations



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CONTENTS

	Page
Text of H.R. 337.....	1
Statement of—	
Griner, John F., national president, American Federation of Government Employees, AFL-CIO; accompanied by Carl K. Sadler, legislative representative; and James H. Lynch, assistant legislative representative.....	8
Hinden, Ben, legislative and legal staff, National Federation of Federal Employees.....	14
Jay, Vincent E., legislative director, Federal Professional Association; accompanied by E. M. MacCutcheon, president; and former Congressman Robert Ramspeck.....	16
Jones, Roger W., Assistant Director, Bureau of the Budget.....	2
McCart, John, operations director, Government Employees' Council, AFL-CIO.....	11
Letters, statements, etc., submitted for the record by—	
Griner, John F., national president, American Federation of Government Employees, AFL-CIO: Statement.....	8
Jay, Vincent E., legislative director, Federal Professional Association: Statement.....	16
McCart, John, operations director, Government Employees' Council, AFL-CIO: Statement.....	11
Ramspeck, Robert, former Congressman: Text of testimony given during 90th Congress on a similar bill.....	20
Wolkomir, Nathan T., president, National Federation of Federal Employees: Statement.....	14

MAXIMUM PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES

WEDNESDAY, MARCH 19, 1969

HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met at 2:15 p.m., in room 2154, Rayburn House Office Building, Hon. Benjamin S. Rosenthal, acting chairman, presiding.

Present: Representatives Benjamin S. Rosenthal, John N. Erlenborn, Clarence J. Brown, and Paul Findley.

Also present: Elmer W. Henderson, subcommittee counsel, and John Philip Carlson, minority counsel.

Mr. ROSENTHAL. The Subcommittee on Executive and Legislative Reorganization will come to order. In the absence of Chairman Blatnik, who should be here momentarily, we have a vote on the floor, he has asked me to convene the subcommittee and read his opening statement.

This meeting of the subcommittee was called to consider H.R. 337 to increase the maximum rate of per diem allowance for employees of the Government traveling on official business. A similar bill was passed by the House in the 90th Congress but no action was taken in the Senate. Congressman Rosenthal, therefore, reintroduced his bill and it is before us today.

(The bill, H.R. 337, follows:)

[H.R. 337, 91st Cong., first sess.]

A BILL To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5702 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$25", by striking out "\$30" and inserting in lieu thereof "\$35", and by striking out "\$10" and inserting in lieu thereof "\$15".

SEC. 2. Section 5703 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$20", by striking out "\$30" and inserting in lieu thereof "\$35", and by striking out "\$10" and inserting in lieu thereof "\$15".

SEC. 3. Section 3581(d) of title 39, United States Code, is amended by striking out "\$9" and inserting in lieu thereof "\$15".

SEC. 4. The last sentence of section 867(a) (1) of title 10, United States Code, is amended to read as follows: "Upon his certificate, each judge, while attending court, or transacting official business outside the District of Columbia, is entitled to be paid all necessary traveling expenses and allowances as provided for each Justice or judge of the United States under section 456 of title 28."

Mr. ROSENTHAL. In summary, the bill raises the maximum per diem rate from the present \$16 per day to \$25 and raises the maximum reimbursement for actual expenses from \$30 per day to \$35. When traveling in foreign countries, travel expenses are paid on the basis of a per diem for that country which the State Department determines is adequate, but there are occasions when the per diem may be exceeded by actual out-of-pocket expenses. The law now permits the payment of an additional \$10 above the per diem for such cases if accompanied by unusual circumstances. H.R. 337 increases this per diem from \$10 to \$15 per day. The bill makes the same changes in the payment of travel expenses for intermittent employees of the Government, such as experts and consultants, as would be made for regular employees.

The bill contains provisions increasing the per diem rate for mobile unit employees of the Post Office Department and puts the payment of travel expenses for the judges of the U.S. Court of Military Appeals on the same basis as that of all other judges in the U.S. courts. The latter section need not be acted upon by us, because the judges of the U.S. Court of Military Appeals were taken care of by another bill enacted by the 90th Congress—Public Law 90-340. We should consider whether or not the provision involving the postal workers should again be handled in this bill inasmuch as it may be possible for the Committee on Post Office and Civil Service to act on this matter, which is within the jurisdiction of that committee.

The principal difference between H.R. 13738, the bill passed by the House last year, and the pending bill is in the amount of the per diem. Last year, the House-passed bill provided for \$20 a day; this year, the bill now asks for \$25 a day. I believe the testimony we hear should concentrate on this point.

Our first witness, after a short recess, will be the Honorable Roger Jones, Assistant Director of the Bureau of the Budget. Mr. Jones, if you will bear with Mr. Findley and myself, there is a final vote on the debt limitation bill presently before Congress, and we will adjourn for 15 minutes, take a recess and reconvene as soon as we can get back here.

(Short recess.)

STATEMENT OF HON. ROGER W. JONES, ASSISTANT DIRECTOR, BUREAU OF THE BUDGET

Mr. JONES. Thank you, Mr. Chairman.

My name is Roger W. Jones. I am currently an assistant director of the Bureau of the Budget. In the interests of saving the time of the committee, and since it was our belief that a formal statement would only repeat almost word for word what is in our report to you, if I may, Mr. Chairman, I will simply use the report as my statement.

Mr. ROSENTHAL. Fine.

Mr. JONES. This is my letter of March 17, addressed to the chairman of the full committee, Hon. William L. Dawson, and reads as follows:

"This is in reply to your request for a report on H.R. 337, a bill 'To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.'

"The bill would increase the maximum rate of per diem allowance for travel within the contiguous 48 States and the District of Columbia

from \$16 to \$25 and would increase the maximum allowance for reimbursement on an actual expense basis for such travel from \$30 to \$35 per day. For travel outside the contiguous 48 States and the District of Columbia the bill would increase the maximum allowance for travel on an actual expense basis from \$10 plus the established maximum per diem rate to \$15 plus the established maximum per diem rate.

"In addition, the bill would increase from \$9 to \$15 the per diem allowance which may be paid postal employees who are assigned to road duty, and would authorize payment of travel expense and allowances for each judge of the Court of Military Appeals on the same basis as that for judges of other U.S. courts.

"Similar legislation was introduced in the 90th Congress, and after hearings by Chairman Blatnik's Subcommittee on Executive and Legislative Reorganization was reported by your committee and passed the House of Representatives on April 23, 1968. As passed, the bill contained the maximum per diem rate of \$20, which was in accord with the recommendation of the Bureau of the Budget. In all other respects, however, provisions were identical to those in H.R. 337.

"With respect to the general travel allowances, the Bureau of the Budget from time to time has conducted surveys of travel subsistence expenses for the purpose of determining the adequacy of maximum per diem allowances. Such a survey was initiated in 1958 and as updated in reports to the Congress in 1960 and 1961 provided a basis for the present maximum per diem allowances. A similar survey was conducted in the spring of 1967 to obtain information and data with respect to the cost of lodging, meals and miscellaneous expenses for travel within the contiguous 48 States and the District of Columbia. The survey included detailed reports of employee travel from 18 principal Federal agencies, supported by a nationwide sampling of costs by the Bureau of the Census and reports from accounting firms specializing in business analyses for hotel organizations. As we reported to your committee in the 90th Congress, the survey data indicated that subsistence expenses incurred in more than 50 percent of the employee travel experiences were not fully compensated for under the present \$16 maximum per diem allowance.

"The data submitted in response to the Bureau's request to the 18 principal Federal agencies for information on subsistence costs represented 12,025 employee travel experiences covering 63,710 man-days of travel. An analysis of these data showed 6,171 travel experiences, 51.3 percent of the total, where subsistence costs exceeded \$16 per day, the average of these being \$19.21. On this basis, we recommended to the Congress a maximum per diem of \$20 in lieu of subsistence expenses.

"This recommendation was also supported by the results of the nationwide sampling of hotel and meal costs which was made by the Bureau of the Census. The sampling showed costs of lodging and meals at desirable hotels and restaurants in various size cities and towns averaged \$17.78 per day. Adding 10 percent to this amount for miscellaneous expenses resulted in a total average daily subsistence of \$19.56. Additional support for the recommendation was furnished by the hotel accounting firms from data which they maintain with respect to hotel room rates in principal cities throughout the Nation. A comparison of average room rates by cities showed considerable variation even among the major cities with the nationwide average of such rates

for 113 cities at \$10.14. Data gathered on a statewide basis in five States averaged \$10.90. These rates for hotel rooms, together with reasonable allowances for food and miscellaneous expenses resulted in a total subsistence expense falling within the recommended rate.

"Since our 1967 review there have been general price advances which are reflected in increased costs for hotels, meals, and miscellaneous expenses. Current cost data indicates that these increases are between 10 and 11 percent over comparable costs in the spring of 1967. On this basis, the employee travel experiences which justified a maximum per diem allowance of \$20 in 1967 would require a \$22 rate under current cost conditions. Therefore, we believe a maximum per diem of \$22 would be required to provide adequate reimbursement to Government travelers for the reasonable costs of their travel. This recommendation should also be applicable to the maximum per diem rate for consultants and others employed on an intermittent basis. These individuals have been authorized the same per diem maximum in the past as Government officers and employees.

"In supporting the \$22 maximum we recognize that some employees will incur expenses in excess of \$22 per day. This may be attributable in some instances to the personal desires of the employee. In other instances it will be unavoidable. Frequently, however, such experiences will be offset by other travel experiences where, because of special hotel rates or other circumstances, the per diem authorized is greater than the subsistence costs incurred. In the overall, the situation in which the \$22 rate will be exceeded should be infrequent, and where they occur and are significant, the Government traveler may be reimbursed on an actual-expense basis in accordance with the Standardized Government Travel Regulations up to the statutory maximum.

"It should be noted that an increase in the maximum per diem rate to \$22 per day should not result in a flat increase for all Government travelers. As a maximum rate for payment of travel expenses in lieu of actual subsistence, the highest rate should be authorized only when expenses are expected to approximate the maximum. Where experience has shown that actual subsistence expenses of Government travelers in certain circumstances are less than the maximum amount per day, a lesser per diem should be authorized. Many agencies have established per diem schedules which reflect such considerations. We would expect agencies to continue to emphasize the need to authorize per diem rates that bear a reasonable relationship to the actual expenses of individual travel.

"With respect to the maximum per diem allowance for reimbursement of Government travelers on an actual expense basis, agencies in 1967 were asked to provide typical experiences where subsistence costs on an actual expense basis exceeded the \$30 maximum per diem. The response showed that very little travel was performed under this authority and most was adequately compensated for within the present \$30 maximum. However, there were instances where reimbursement was not adequate and these were sufficient to support an increase in the maximum for travel within the contiguous 48 States and the District of Columbia. In 1967 we recommended an increase from \$30 to \$35 per day. In view of current cost data we believe this maximum should be increased to \$40 per day.

"For the actual expense method involving travel outside of the 48 States and the District of Columbia, we recommend an increase from

\$10 to \$18 to be added to the applicable per diem rates to arrive at a maximum allowance for a particular location. This amount would be in keeping with the differential recommended above for the actual expense method within the 48 States and the District of Columbia. The same differential is justified since the maximum per diem rates for use outside the 48 States and the District of Columbia are reviewed periodically and adjusted where appropriate to keep abreast of changed economic conditions from a travel standpoint."

With respect to the per diem for mobile postal employees of the Post Office Department, we simply say about that, Mr. Chairman, that we believe an increase from \$9 to \$17 is justified. In view of the chairman's statement, I think we need not go further into that matter at this time, and we also understand that the Court of Military Appeals travel has been taken care of by Public Law 90-340, so I will omit the paragraph that says, in effect, that we believe that they should have the same allowances as other travelers.

"We estimate that an increase in the maximum per diem rates as recommended above would add approximately \$27 million to the annual cost to civilian agencies for official travel within the contiguous 48 States and the District of Columbia. If the legislation is enacted, we will expect the executive agencies to absorb the increased costs within available appropriations.

"If amended as recommended above, we would favor enactment of H.R. 337."

MR. ROSENTHAL. Thank you very much, Mr. Jones.

MR. JONES. Now with respect to these figures, Mr. Chairman, if I may go on for just a moment, I think, perhaps it might be of some interest to the committee to understand what kind of a sample we really had here, with respect to hotels and restaurants. We used a three-level classification: best but not luxury, average, and below average.

An inquiry was made as to the lowest and highest price of a single room with bath. This sample included 195 hotels, approximately 65 in each city size group. We believe that desirable accommodations for Government travelers will be found within the range of prices offered as the highest rate in average hotels and the lowest rate in best but not luxury. An average of these rates was the \$10.90 figure that I referred to.

A similar approach was followed with respect to a sample of the cost of meals which were obtained from 800 restaurants again rated as best, average, and below average. An average cost for breakfast, lunch, and dinner totaled \$6.79.

Using price ranges considered desirable for Government travelers, the Bureau of the Census then showed daily expense of \$17.78 to which a 10-percent allowance of \$1.78 should be added for miscellaneous expenses, bringing the total daily subsistence to \$19.56.

Additional support for the recommendation came from data furnished by the American Hotel & Motel Association from information supplied by the hotel accounting firms of Harris, Foster & Co. and Horwath & Horwath, the accounting firms which specialize in business analysis for hotels, specified a \$10.14 average for clients' hotels in 113 cities, and similar data gathered on a five-State basis averaged \$10.90. These hotel rates, plus an amount for meals and miscellaneous, gave a total subsistence falling under \$20. Since then, as we have indi-

cated, there has been this increase of 10 to 11 percent, and on that basis and again rounding we figure that \$22 is an adequate amount for the authorization in the bill under consideration.

In short, then, sir, as things now stand, since 1961, we have had a maximum per diem of \$16, \$9 for the postal clerks, \$15 for the military judges, a ceiling of \$30 for actual expenses in the United States, plus an additional \$10 to the applicable per diem for foreign travel.

In the recommendation made last year, in the bill which passed the House, those figures were respectively \$20, \$15, \$20, \$35, and \$15. We are now proposing, sir, that they be increased approximately 10 percent, so that the maximum per diem would be \$22, for the postal clerks \$17, the military judges \$22. The actual expense ceiling in the United States \$40, and the actual foreign expense ceiling \$18 plus the applicable per diem.

That, Mr. Chairman, I think, gives the picture as the Budget Bureau sees it, and we thought that we had the obligation to present to you as fairly and objectively as we could the exact figures which we have computed from our studies with the cooperation of the other agencies. I will be glad to answer questions.

Mr. ROSENTHAL. Thank you.

Congressman Brown.

Mr. BROWN. Mr. Jones, I assume from the fact you are testifying on this matter this has the direct concurrence of the Budget Bureau in the Nixon administration.

Mr. JONES. That is correct, Mr. Brown.

Mr. BROWN. Do you have any estimate of the cost that this represents in increased expenses?

Mr. JONES. I think we would estimate that the costs for the civilian agency part of this thing would be somewhere between \$20 and \$30 million.

Mr. BROWN. Per year?

Mr. JONES. Yes, sir.

Mr. BROWN. And—

Mr. JONES. This is the added cost.

Mr. BROWN. Yes; the additional cost.

Mr. JONES. The additional—

Mr. BROWN. Would be between \$25 and \$30 million a year?

Mr. JONES. Yes, sir.

Mr. BROWN. Do you really anticipate that the executive agencies will absorb the increased costs within their available appropriations?

Mr. JONES. I think that is not an unreasonable assumption in most agencies, Mr. Brown. Take in our own case, for example, this would add about \$15,000 to the costs of the Budget Bureau's travel, and I believe on the basis of our experience extending backward over a period of about 10 years that we could absorb that kind of additional cost without any difficulty at all. Of course, we are a small agency. We have only 500 employees. But we do do on the average, I think, man for man, considerably more than the average travel of the normal agency.

Mr. BROWN. Where does the bulk of this expense come from? What branch or agency or department would it fall in?

Mr. JONES. Well, leaving—

Mr. BROWN. The Defense Department?

Mr. JONES. Leaving the Post Office out of the picture, there is a very substantial amount of transportation costs which occur in the Department of Defense in the three major departments.

Mr. BROWN. What percent would that be of the \$30 million?

Mr. JONES. Within the Department of Defense what percentage would they have? I am not sure whether I have that figure. I know I don't have it in my head, Mr. Holden may have it here. Do you have any breakdown?

Mr. BROWN. Well, let's take the Bureau of the Budget as an example where you are going to have an additional expense of \$15,000. Where would that money come from, Mr. Jones?

Mr. JONES. That would come from our normal salaries and expenses appropriation within which we justify a certain amount each year for travel.

Mr. BROWN. I am not sure I understand. Where are you going to save \$15,000 to absorb the \$15,000 additional costs that you will have as a result of this legislation?

Mr. JONES. What I am saying is that I do not believe that in the normal year the precision of our estimate for travel costs is such that we could correctly say that we are always financed exactly on what we need for travel in any given year. We have tended over a period of time to sort of balance this out over about a 2- or 3-year span. Some years we don't have quite enough for travel and have to transfer some from other accounts. Other years we can't get as many people into the field for inspection trips, and so on, and we tend to have a little bit of an underrun.

Mr. BROWN. Are you telling me that there is that much fat in the budget that you have for this year to squeeze out \$15,000 of the Bureau of the Budget and the Defense Department will probably squeeze out several million dollars to cover the additional payments; is that what you are saying?

Mr. JONES. Not at all. No, sir. What I am saying is that most agencies when they prepare their travel estimates—

Mr. BROWN. Overestimate?

Mr. JONES. No; they don't overestimate at all. Travel, like some other objects, are prepared on the basis of average expense, and when you know that there is an increased cost coming down the road that you can schedule your travel and other expenses in such a way that within a percentage—which is, in this case, about 10 under our recommendation—they can probably be absorbed without asking for more money.

Now there may be some places that this could not be done, and in those cases of course the Bureau would entertain the necessary supplemental estimate from the agencies and take that into account.

Mr. BROWN. So this is possible. It will come from absorption but may come from additional budgeting in some cases; is that what you are saying?

Mr. JONES. What I am saying, I think in some cases additional budgeting will be necessary and will be recognized as such but there will be a strong effort made to absorb this, particularly at this time when, as the Congressman knows, we are operating under very strict personnel ceilings, with a three out of four replacement on full-time permanent people. We hope that we can effect enough economies so

that at least in the next fiscal year we would not have to ask for additional appropriations from the Congress to take care of this added expense.

Mr. BROWN. In some cases you are operating under expenditure limitations and this brings me to the point of the conclusion of my questions, you are operating under expenditure limitations put on by the Congress. The money will come out of substantive programs.

Mr. JONES. In some agencies it will come out of substantive programs, but in some agencies it will come just out of the standard salaries and expenses type of appropriation.

Mr. BROWN. But in some agencies, because of the expenditure budget it will be required that this come out of substantive programs; is that correct?

Mr. JONES. That is correct. There would be some reprogramming; yes.

Mr. BROWN. Thank you, Mr. Chairman.

Mr. ROSENTHAL. Thank you very, very much, Mr. Jones.

The next witness is Mr. John F. Griner, accompanied by Mr. Carl Sadler and Mr. James H. Lynch.

STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO; ACCOMPANIED BY CARL K. SADLER, LEGISLATIVE REPRESENTATIVE; AND JAMES H. LYNCH, ASSISTANT LEGISLATIVE REPRESENTATIVE

Mr. GRINER. Mr. Chairman and members of the committee, for the purpose of the record, on my right is Mr. Carl Sadler, our director of legislation, and on my left is Mr. Jim Lynch who is assistant director of legislation.

The American Federation—

Mr. ROSENTHAL. If I could ask your indulgence, in view of the hour and our earnest desire to pursue this matter to a conclusion today, do you think we might include your statement in the record and you might summarize the salient points of it?

Mr. GRINER. I would be glad to do it.

Mr. ROSENTHAL. Without objection the statement shall be included in the record.

(The prepared statement of Mr. Griner follows:)

PREPARED STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The American Federation of Government Employees appreciates the opportunity of appearing before the Subcommittee on Executive and Legislative Reorganization to testify in favor of H.R. 337, a bill introduced by Representative Rosenthal to increase the maximum rate of per diem allowance for employees of the Federal Government traveling on official business from \$16 to \$25. The interest of the chairman of this subcommittee, Representative Blatnik, to obtain appropriate per diem reimbursement to Federal employees for out-of-pocket expenses in carrying out their duties is especially well known to us.

We endorse this bill without reservation and we wish to take this occasion to express our deepest appreciation to this subcommittee, its parent committee and the House of Representatives for having passed last year H.R. 13738, a measure which would have increased per diem payments from \$16 to \$20. Unfortunately, because the other body did not act, that bill never became law.

Before continuing our presentation, I should like to observe that H.R. 13738 was itself already antiquated even before it passed the House because of the very rapid inflation which has been taking place in the last 2 years. H.R. 13738 was predicated on the supposition that the 1966 costs would remain valid for a long period of time. As we indicated in our testimony in late summer 1967 before this very subcommittee, a per diem of \$20 would prove to be woefully inadequate in the economic conditions of 1969 and 1970.

Because the last adjustment, to \$16 per day maximum, occurred 8 years ago, I should like to invite your attention to the most recent statistics of the American Hotel and Motel Association of what has happened to hotel and motel rates in that interval. Since 1959, the American Hotel and Motel Association shows the following increases in representative cities:

City:	Percentage increase
Houston -----	63.7
New Orleans -----	50.9
San Francisco -----	40.6
Minneapolis -----	36.8

Our organization, exceeding 300,000 Federal employees and representing more than 500,000 in exclusive recognition contracts, has members in every department and agency of the Federal Government, located in every State of the Union and in almost every country overseas. Consequently, we know from them what travel expenses are.

In just the same way, we are aware that case after case is known also to the Federal authorities where the cost of hotel or motel accommodations alone exceeds \$16, the maximum allowable under present statutes. The per diem discrepancy is especially great in those areas where the amount of new travel volume is increasing the fastest, such as the areas around Houston, Cape Kennedy, in large metropolitan districts, and in those sections of the country most directly involved in the support of the United States undertakings in Vietnam, such as Los Angeles and San Francisco.

To give the subcommittee further samples of very recent experiences, one of our members paid \$21 for room and \$1.05 tax for a room outside Los Angeles, Calif.; a second paid \$19 for a room in San Francisco; during a recent conference here in Washington, several of our members paid in excess of \$20 and, with all the assistance of our administrative staff, we could not find a single adequate room in Washington for less than \$17.

Moreover, local taxes from 3 to 5 percent are now becoming a general practice in the hotel and motel industry, adding a further cost of from \$0.50 to \$1 to the stated basic hotel room cost, bringing room rent costs to \$18.50 to \$19. Projecting the figures only to the end of this year, it appears that room rents plus taxes will soon be taking up between \$18 and \$22 of travel cost per day in many of the most active areas where Federal employees must work as transients on official business.

Even if one were to limit the cost of three meals to a frugal \$7 per day, it would appear that the only figure which is a realistic maximum for per diem is precisely the one Representative Rosenthal included in his bill. And if inflation continues in 1969 and 1970 as it has in the last 2 years, even \$25 per day will be inadequate 2 years hence.

A factor often overlooked in calculating travel expenses is the increase of personal laundry, dry cleaning, and other shoe and clothing expenses. In the 8-year interval since the last per diem increase, these have gone up approximately 35 percent and the increases in the last few months are accelerating.

We believe the statistics should be allowed to speak for the record. They all show that per diem increases are long overdue, and the new maximum rate cannot be set realistically lower than \$25 per day.

We most earnestly request very early action on this bill because of our experience that unless the figure selected is realistic, pressures will arise immediately for the passage of a new per diem bill. As we now know, the previous bill, which was passed in 1961, became antiquated as far back as 1965; and, since that time, there has been a continuous undertow of Federal employee's complaints and unrest because of the unrealistic per diem rate. This harms morale much more seriously than is realized; and, in the end, it costs the Government more than a fair per diem rate would. We are now on the verge of a situation where Federal employees will do everything to avoid official travel.

A further important consideration, of course, is that statutory per diem rates are normal maximum rates which would be available, but not expended, unless needed. As the subcommittee is aware, agencies can and, in fact, often do, prescribe lesser rates of per diem in those areas where the cost of accommodations and of food is uniformly less than in more expensive regions and cities. Thus, the only matter at issue here is the provision of a legal basis, by statute, for the payment of proper per diem reimbursement for official travel in high-cost areas. The proposed per diem maximum of \$25 is long overdue when it is seen from this perspective.

Confident that this subcommittee will accept the increases in H.R. 337, which is sponsored by one of its own members, Representative Rosenthal, the AFGE wishes again to express its gratitude for this opportunity afforded it to testify on this bill so important to Federal employees.

Mr. GRINER. Mr. Chairman, I would like to point out that this organization has over 300,000 members scattered throughout the world. It represents over 500,000 members under exclusive recognition; so, I believe that we are in a better position to know what the problems are insofar as travel and per diem are concerned than any other organization.

We do endorse this bill without reservation. It may have been unfortunate last year that the bill, which increased the maximum per diem from \$16 to \$20 per day, did not become law. However, on the other hand, it may have been fortunate, because this has been our experience, that it takes several years to get the per diem bill through Congress and get an increase, and certainly the last increase, I believe, was back in the year of 1961.

I would like to call your attention to these figures that since 1959 the American Hotel & Motel Association shows the following increases in the representative cities.

For instance, in Houston it is 63.7 percent; in New Orleans, 50.9 percent; San Francisco, 40.6 percent; and in Minneapolis, Minn., it is 30.8 percent.

Just to give you some samples of what our people are having to pay for hotel rooms alone, one of our members paid \$21 for a room plus \$1.05 for tax, just outside of Los Angeles, Calif., which amounted to \$22.05.

A second paid \$19 per room in San Francisco. And during a recent conference here in Washington, where we thought we had some special rates, we had to pay a minimum of \$17 per day for our people, plus tax.

I think the tax is one of the things we have overlooked on so many occasions, because in most every State of the Union at the present time we have a tax from 3 to 5 percent. The State of Louisiana, for instance, has a 6-percent tax, which is adding a cost of anywhere from 50 cents to a dollar per day to the room, which, of course, is taken out of the per diem.

Another factor which is often overlooked in calculating the increased travel expenses of personnel is the cost of personal laundry, drycleaning, and other shoe and clothing expenses. In the 8-year interval since the last per diem increase these costs have gone up approximately 35 percent and the increases in the last few months are accelerating.

Also, the tips which must be taken out of this per diem have gone up from a normal 10 percent to a normal 15 percent, and they actually expect more than that.

We most earnestly request early action on this bill because of our experience that, unless the figures selected are realistic, pressures will arise immediately for the passage of a new per diem bill.

Mr. ROSENTHAL. We are going to try to act this afternoon.

Mr. GRINER. You can't get it any faster than that.

Mr. ROSENTHAL. What is your position? How would you comment on the Budget Bureau's position that they will go for \$22 rather than \$25?

Mr. GRINER. Mr. Chairman, we believe that we have justified and can justify \$25 as an absolute minimum. However, let's say this, that the \$22 is a heck of a lot better than \$16; and if this committee and the Bureau of the Budget feel that their people can get along with \$22 per day, and yet live decently, why, of course, we will accept what we can get along those lines. But, I don't think there is any question whatsoever but that \$25 is justified.

There is one statement that has been made by a number of people that I would like to call to your attention, too. In fact, I had one of the committee members in the Senate to make this statement to me last year, that if we don't pass a per diem bill there will be less travel. Maybe they are correct; but, on the other hand, the Government employee does not travel because he wants to travel. He travels because his job requires him to travel or he travels because he is ordered to travel by his superiors. So, I can't see any saving in that line of work. Maybe the supervision can save some travel by ordering less travel, and, of course, we don't condone travel without cause. But certainly these people who have to travel should not be called upon to subsidize the Government.

Mr. ROSENTHAL. Thank you very much, Mr. Griner. Congressman Erlenborn? Congressman Brown?

Thank you very, very much.

Mr. GRINER. Thank you.

Mr. ROSENTHAL. Our next witness is Mr. John McCart.

STATEMENT OF JOHN McCART, OPERATIONS DIRECTOR, GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO

Mr. McCART. Mr. Chairman, we have supplied the subcommittee with a formal statement, and in view of your request that we expedite—

Mr. ROSENTHAL. Mr. McCart, with your permission and without objection, your full statement will be included in the record. Would you tell us your position generally concerning the \$22 versus the \$25 and anything else that you think pertinent?

(The prepared statement of Mr. McCart follows:)

PREPARED STATEMENT OF THE GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO

Mr. Chairman and members of the subcommittee, the council appears today to endorse H.R. 337. Our organization has as members 35 AFL-CIO unions representing more than 1 million classified, postal and wage board employees in various Federal agencies.

We wish first to express our gratitude to Representative Benjamin Rosenthal, the author of H.R. 337, and to you and your colleagues on the subcommittee for arranging this hearing.

Eight years have elapsed since the last adjustment in the maximum per diem allowance for Federal employees required to travel as part of their official duties. In the intervening period, the cost of living has risen sharply. The result is that today we find Federal employees unable to maintain themselves adequately while in travel status on the maximum \$16 daily allowance now in effect. In ever-in-

creasing numbers, these workers sustain financial loss because of the failure of the allowance to keep pace with rising costs of living away from home. Thus, this problem merits prompt attention by Congress.

We are fully aware that this subcommittee, the full committee, and the House acted favorably in 1968 on H.R. 13738. Unfortunately, the Senate did not take similar action.

That bill, which was based on 1966 data, increased the maximum per diem allowance to \$20. When H.R. 13738 was under consideration, the council justified the need for establishing a maximum \$25 daily allowance. The continuing trend in rising costs of living away from home since 1966 fortifies our earlier contention on the \$25 figure.

Results of the council's research prove conclusively that if Federal employees do not secure relief in this field, they will continue to suffer financially in many cases, and will actually be defraying a larger portion of these expenses with the passage of time.

Horwath & Horwath, a recognized accounting firm, publishes annual studies of hotel operations. The latest report available covers 100 hotels in 58 cities in 1968. The average room rate for hotels with more than 600 rooms was \$15.75.

Another nationally known accounting company, which compiles information on hotel rates, is Harris, Kerr, Forster. For 300 representative hotels in 1967, the average rate was \$14.28. Between 1962 and 1967, alone, rates increased by 25.4 percent.

The American Hotel & Motel Association has supplied the council with these percentage increases in typical cities in the period 1959-68:

City:	Percent increase	City—Continued	Percent increase
Boston	36.6	Philadelphia	25.5
Houston	63.7	St. Louis	19.4
Minneapolis	36.8	San Francisco	40.6
New Orleans	50.9		

Our own research reveals that in New York City, the cost of hotel rooms has risen at least 35.2 percent from 1961 to 1968.

The current per diem allowance is not applicable to lodging and meals alone. It includes tips, telegrams, telephone calls, laundry and drycleaning, and certain transportation costs.

The Bureau of Labor Statistics maintains indexes on changes in prices of restaurant meals, laundering shirts, and drycleaning. Here are the results of their recent studies on these items:

Restaurant meals (1957-59=100):	Index
May 1961	107.4
December 1968	140.0
Increase (percent)	32.6
Laundry-shirts (1963=100):	
December 1963	100.0
December 1968	119.9
Increase (percent)	19.9
Drycleaning (1957-59=100):	
March 1961	104.2
December 1968	128.0
Increase (percent)	22.8

If we confine our consideration to meals, laundry, and dry cleaning in hotels only, the increases are undoubtedly higher.

The American Hotel & Motel Association estimates the rise in the cost of meals in 400 hotels between 1959 and 1968 at 34.5 percent.

To you gentlemen of the subcommittee, it is unnecessary to emphasize the rise in tips experienced by those who travel.

Much of the travel undertaken by Federal employees is to military installations and resort areas for business purposes. Thus, high costs are not necessarily confined to large cities.

As you know, Mr. Chairman, the Internal Revenue Service does not require taxpayers whose daily travel or entertainment expenses do not exceed \$25 to submit an itemized accounting of these expenses with their tax returns.

Under a revised authorization by the House Administration Committee, effective July 1, 1967, members and committee staff are permitted a daily allowance of \$25 for official travel. This is a clear indication that members recognize the necessary costs of travel have increased substantially in the recent past.

Another feature of H.R. 337 deserves favorable consideration by the subcommittee. Section 3 permits an increase from \$9 to \$15 in the daily allowance for postal employes assigned to road duty in mobile post offices. The last adjustment for these employes occurred in 1955. In light of our earlier comments on increased costs experienced by Federal employes generally, the request of the railway postal clerks is compelling. The Council endorses the position advanced by the United Federation of Postal Clerks, AFL-CIO, on the bill.

The other increases contained in H.R. 337 for unusual travel expenses in the United States and outside the continental limits are commensurate with the increase we advocate for ordinary travel in the States.

In connection with the maximum allowance in the bill, it is appropriate to emphasize, as we have in the past, that travel funds should be available to employes who visit the highest cost areas. Agencies are authorized to pay less than the maximum where the evidence indicates that course is justified. However, where a rate below the maximum is in effect that rate should be adjusted in proportion to any new daily allowance fixed by Congress.

We are convinced that the continuing rise in the cost of living away from home warrants early, favorable action on the pending bill. The Council solicits your assistance in correcting the current situation, which requires some employes to incur a financial deficit.

Mr. Chairman, we deeply appreciate this opportunity to discuss with you a bill which has great significance for a large number of Federal workers.

Mr. McCART. You will recall we testified on this legislation in 1967, Mr. Chairman. We presented data that we felt fully justified the enactment of the \$25 figure in your bill at that time, H.R. 7113, and certainly the need has not grown any less in the intervening years.

You have been shown figures as to what has happened. You gentlemen travel, you know what has happened. You know what has happened in the economy with respect to food and clothing purchases. You are aware that the Internal Revenue Service doesn't require an accounting of daily expense allowances of less than \$25; you are aware that the House Administration Committee, in 1967, authorized a \$25 expense allowance without accountability. All of these things simply add up to the fact that, if anything, H.R. 337 today is a more moderate bill than it was when it was originally introduced in the 90th Congress. And so we strongly urge the subcommittee to approve the bill you have introduced as introduced.

The need is great and it is just growing day by day and it is just a shame that Federal employees are required to subsidize their own official travel in behalf of their Government. And that is what is happening today in more and more cases.

Mr. Chairman, with the approval of the subcommittee, I hope that we can dispose of this matter early, so that action can be taken in the Senate, which unfortunately was not taken in the last Congress.

Mr. ROSENTHAL. Thank you very, very much. Mr. McCart. Any questions?

Mr. ERLNBORN. Maybe I will have one question.

Mr. McCART. OK.

Mr. ERLNBORN. Do you have the bill before you?

Mr. McCART. No, but I am familiar with its contents, generally.

Mr. ERLNBORN. Section 1 makes a different maximum than section 2. Could you tell me the difference in the employees that are covered by those two sections.

Mr. McCART. Well, you are referring to the \$35 maximum and the \$20.

Mr. ERLNBORN. No, the \$25 and the \$20. The \$25 maximum—

Mr. HENDERSON. There was a typographical error.

Mr. ERLNBORN. It should be \$25. It is just a typographical error.

Mr. McCART. The difference in any case, the question is still pertinent—

Mr. ERLNBORN. What are the two classes of employees?

Mr. McCART. Well, the difference is the level of the employee who does the traveling. An employee, for example, at a fairly high level who must attend some kind of a convention as a business activity or some kind of a conference where he rubs shoulders with similar executive types from private industry must stay in a different kind of hotel than the Federal employee who normally travels.

Mr. ERLNBORN. I am not certain that you understood my question properly. There are two sections we are amending here. One is section 5702 and the other is 5703. Now, each of them proposes an increase of from \$16 to \$25 in the per diem reimbursement and an increase from \$30 to \$35 in the maximum reimbursement based upon actual expenditures, and I think you are talking about the difference between the \$25 and the \$35.

Mr. McCART. That is correct.

Mr. ERLNBORN. What I was wondering is, What is the difference in the class of employees that are covered by section 5702 and those in 5703?

Mr. McCART. I can't answer that question technically, Mr. Erlborn.

Mr. ERLNBORN. I am advised by counsel that section 5702 is for regular full-time employees, and section 5703 is for intermittent employees, experts and consultants.

Mr. McCART. Yes.

Mr. ERLNBORN. So I have answered my question.

Thank you.

Mr. McCART. Thank you.

Mr. ROSENTHAL. Congressman Brown.

Mr. BROWN. I have no questions.

Mr. ROSENTHAL. Thank you very much.

Our next witness is Dr. Nathan T. Wolkomir.

STATEMENT OF BEN HINDEN, LEGISLATIVE AND LEGAL STAFF, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. HINDEN. Dr. Wolkomir regrets he cannot be here. I am Ben Hinden of the legislative and legal staff of the National Federation of Federal Employees.

You have the statement of Dr. Wolkomir, which I will not read. I would just like to call to your attention—

Mr. ROSENTHAL. We shall include that statement, without objection, in the record.

(The prepared statement of Dr. Wolkomir follows:)

PREPARED STATEMENT OF NATHAN T. WOLKOMIR, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. Chairman and members of the subcommittee, my name is Nathan T. Wolkomir. I am president of the National Federation of Federal Employees.

I wish to state that our organization is the pioneer of all independent Government employee organizations. The NFFE has many locals and members in virtually all Federal departments and agencies.

I am here today, Mr. Chairman, to express our strong support for H.R. 337, a very worthy measure which would increase the maximum rate of per diem allowance for employees of the Government traveling on official business. An employee, while traveling on official business away from his designated duty station, is entitled to a per diem allowance for travel inside the continental United States at the present time of a rate which may not exceed \$16. H.R. 337 would increase this rate to \$25. An employee may be reimbursed for actual and necessary expenses of the trip under existing law when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. For travel inside the continental United States the rate may not exceed \$30 at the present time. H.R. 337 would increase this rate to \$35 as well as the maximum per diem allowance plus \$15 for each day of travel outside the continental United States. Increases are provided under H.R. 337 to certain other persons, such as individuals serving without pay or at \$1 a year, or as experts and consultants.

As the subcommittee is well aware, there has been since 1961, the year when the present per diem rate of \$16 was set, a substantial increase of subsistence expenses. Every year the prices of hotel, food, and related items have moved up in these times of economic prosperity so, that the present per diem allowance today, does not cover the subsistence expenses. Hotel and food alone bring the daily cost way above the present maximum rate of per diem allowance. I have been personally acquainted with Federal employees who have been called upon to do extensive traveling for the Government and many have had to dip into their own pockets to meet normal expenses incurred. This is, of course, manifestly unfair. The expectations of even higher prices will mean that those who travel on official business for the Government will have to dig even deeper in their pockets to meet normal expenses.

When a person is away from home he is most likely to incur expense for long distance telephone calls to his family as well as other personal expenses which are not considered in connection with the per diem allowance. Yet, he would not be incurring these expenses if he were at home. Such personal expenses seem worthy of consideration in raising the rate of the per diem allowance. There are a number of instances where the employee does not receive the maximum rate. This occurs when the department or agency determines a lesser amount should be paid. Consequently, employees are not treated uniformly in regard to the per diem allowance. It would seem that a fixed rate of per diem allowance would be preferable to a maximum rate.

I wish to repeat that the National Federation of Federal Employees supports this bill and we thank the subcommittee for the opportunity to present our views.

Mr. HINDEN. I would just like to call attention to one point in that statement and that is that we recommend that there be a fixed rate of per diem allowance as being preferable to a maximum rate, because we have received information concerning a number of instances where the employee does not receive the \$16 under the present law. This occurs when the department or agency determines that a lesser amount should be paid since all employees are not treated uniformly in regard to the per diem allowance, and we found that that is so between the high grade employees and those in the medium and lower grades and so we would recommend a fixed rate rather than a maximum.

Mr. ROSENTHAL. Thank you very, very much.

Congressman Erlenborn?

Mr. ERLBORN. I have no questions.

Mr. BROWN. I have no questions.

Mr. ROSENTHAL. Thank you very much.

Our next witness is Mr. Vincent E. Jay, accompanied by Mr. E. M. MacCutcheon and a former Congressman, Congressman Ramspeck.

Mr. Ramspeck, we are very glad to have you before us this year and we are very honored that you saw fit to testify in support of this bill.

STATEMENT OF VINCENT E. JAY, LEGISLATIVE DIRECTOR, FEDERAL PROFESSIONAL ASSOCIATION; ACCOMPANIED BY E. M. MACCUTCHEON, PRESIDENT; AND FORMER CONGRESSMAN ROBERT RAMSPECK

Mr. JAY. Thank you, Mr. Chairman. With the permission of the committee, we would like to have our statement made a matter of record.

Mr. ROSENTHAL. Without objection, it is so ordered.

(The prepared statement of Mr. Jay follows:)

STATEMENT OF VINCENT E. JAY, LEGISLATIVE DIRECTOR, THE FEDERAL PROFESSIONAL ASSOCIATION

Mr. Chairman and members, my name is Vincent E. Jay, legislative director of the Federal Professional Association. I am pleased to appear before this subcommittee with the Honorable Robert Ramspeck, the consultant to this association, and former distinguished Member of Congress and former chairman of the Civil Service Commission, and also with E. M. MacCutcheon, president of this association.

Both Mr. Ramspeck and Mr. MacCutcheon have done much traveling for the Government. Mr. MacCutcheon continues to perform much official travel in connection with his official duties.

This association, founded in 1962, is the only governmentwide organization devoted exclusively to matters which are regarded as vitally important to all professionals in the Federal service.

We represent the Federal Professional Association whose membership is composed of Federal managers, scientists, engineers, physicians, lawyers, educators, economists, and other specialists on whom the effective and efficient conduct of the public business very largely depends. These are the people who are obliged to spend much of their time on official travel and who find that an increasing amount of it is at their own expense.

In September 1967, we testified before this subcommittee in support of H.R. 7113, a bill sponsored by Congressman Rosenthal to increase the maximum rate of per diem allowance for Government employees traveling on official business from \$16 to \$25 a day, and the maximum amount which may be paid under unusual circumstances from \$30 to \$45 a day. Eighteen months have gone by since then, during which hotel and restaurant prices, laundry, and drycleaning costs, taxicab fares, and all of the other costs incidental to travel have continued to rise, but the per diem rates remain as they were then.

At that time, the representatives of the Bureau of the Budget, an agency never noted for profligacy with public funds, testified that an increase in the per diem rates were indeed justified, although with its characteristic ability to do more with a dollar than anybody else, the Budget Bureau thought that a maximum of \$20 would be sufficient. One of our members asked the Budget Bureau for a list of the hotels and restaurants in which its officials were able to subsist in reasonable comfort and dignity for that amount, but was unable to procure it.

I would hope that the Bureau of the Budget would now adopt an attitude that could be described as "more reasonable, although not generous."

We have conducted an informal survey of our members and find that, almost without exception, they expect to pay at least \$10 a day for necessary expenses out of their own pockets. This is not because they insist on living in the lap of luxury. As a rule, we are not found in the best suites in the best hotels, except when we enter them to do business with our private enterprise counterparts who live in these accommodations. But, on the other hand, we do need to be close to the center of town and we do like a clean, comfortable room with enough space to spread our papers out so we can refresh our minds and bring our facts up to date before we go into conference. It is interesting to note that for several years the Internal Revenue Service has required no documentation or vouchers for claims of travel expenses of up to \$25 a day.

Most of us, of course, have become accustomed over the years to paying some of the costs of Government business and have generally accepted it, along with other expenses and inconveniences, as part of the price for holding jobs which constantly challenge our professional skills and knowledge to the utmost and in

which we can see rewarding achievement from time to time. However, as the costs of maintaining our homes and families, and of educating our children, and of maintaining our cultural and social and charitable interests have continued to rise, we find ourselves in an increasingly uncomfortable squeeze.

Our attention has been directed toward this situation even more of late, because of a development that has become fairly general throughout the career service. We do manage to recruit bright young persons in spite of the generally more attractive salaries offered by industry, but we tend to lose a great many of them within 2 or 3 years, before they have acquired our sense of dedication to Federal programs, as they compare the emoluments of their former classmates who have gone into industry with their own and those of their superiors with the superiors of their colleagues. And high on the list are the travel restrictions of Government executives. They see their former classmates occupying the comfortable first-class seats on airplanes as they pass on to the three-abreast seating in the tourist cabin. They put up in small rooms in hotels on the fringe of downtown, from which they walk several blocks, to save a taxi fare, to the first-class hotel or office building in which their meetings will take place. And they fight losing battles with the agencies' accountants and legal counsels over what they consider legitimate expenses which they incurred in travel and for which they seek reimbursement. So, as soon as their initial period of service is over, they go over to the greener pastures and the Government has lost another promising administrator or professional employee.

From the discussion that has gone into the effort to increase the maximum rate of per diem by \$9, one might think that there was a great deal of money to be made from it by Federal employees who are sharp operators. Isn't it rather odd to suspect that a man or woman who is entrusted with responsibility over large amounts of public funds, and with the conduct of complex programs established under acts of Congress, and with surveillance over important segments of the economy, might gouge the Government out of a dollar or two when one travels on official business? Does anyone really conceive that it might be possible to chisel that much out of a \$25 per diem?

Mr. Chairman, one other point I would like to make: More and more Federal executives and professionals resent any insinuation that they are somehow different—in their tastes, in their habits, in their emotions, in their private lives—from other men and women. We are reminded constantly of the average taxpayer, but we too are taxpayers, and are perhaps even more alert to waste wherever it exists, and to where savings can be made, than our severest critics. Our official travel is regarded by many as boondoggles, instead of the reluctant sacrifice of our own time—nights, weekends, and holidays—which we would much prefer to spend with our families and friends. Our travel vouchers are regarded with suspicion, whereas we may have borne personally as much as half of the cost doing the Government's business away from our home office or station.

In fact, if we thought it were at all attainable, FPA would be testifying in favor of eliminating the ceiling on per diem entirely, since we must turn in our vouchers and justify our expenses under any circumstances. The existence of a limit of whatever amount prevents an agency head from the exercise of managerial judgment whenever flexibility might be in order.

Accepting the fact that some ceiling on per diem rates will be imposed, we support the rates in H.R. 337 now under consideration as an essential, minimal step toward fair dealing with the Government's career employees.

Thank you, Mr. Chairman, for this opportunity to express our viewpoints about an important aspect of the worklife of many Federal professionals.

Mr. JAY. In summary, we support this legislation wholeheartedly. The members of this association are mostly people who do the traveling in the Federal service. They are the professional people, the lawyers, engineers, and doctors, and so forth. And we found that agencies vary considerably in how they adjudicate the traveling expense. Many of the professionals are not even aware that there is a maximum that they can apply for, and we would hope that the bill might go as high as \$30 rather than \$25 as the minimum, and \$50 maximum, rather than the \$45 provided in the bill.

The travel figures that were presented by the Bureau of the Budget—we're fully aware of these figures. However, the figures that are given

to us by our members who travel vary considerably from the Bureau of the Budget figures. I think, we must remember that these statistics are taken from an average.

Whereas these people are required to travel during sometimes when there are conventions in town, and where the rates vary considerably. I don't know anything more flexible than the hotel rates in this country. They are very flexible. I think one of the recent experiences is right here in the District of Columbia when we had an inauguration, where the hotel rates jumped by a large percentage and this has a great deal of effect on the people who are expected to travel when these sorts of things take place in a city when they are traveling.

One other point that we would like to make and that is with regard to the manner in which professionals travel. We feel that professionals ought to be able to travel first class; that this is a matter of morale, a matter of prestige in the career service; and that we would hope that in this legislation we could have an amendment that agencies will be asked to encourage their professional employees to travel first class.

This, in summary, I think, includes all of the facts.

Mr. ROSENTHAL. When you talk about first class, you don't mean in an airplane they have to go first class rather than tourist.

Mr. JAY. Yes; if it is appropriate. Now there may be situations where it is not necessary for them to go first class.

Mr. ROSENTHAL. Why is it necessary to go first class?

Mr. JAY. Well, many of the professional employees travel with representatives from industry, contractors, and others who are doing business with the Federal service. They always travel first class.

Mr. ROSENTHAL. That is regrettable.

Mr. JAY. I beg your pardon.

Mr. ROSENTHAL. That is regrettable.

Mr. JAY. Well, we have no control over that.

Mr. BROWN. I am not even sure it is accurate that representatives of industry travel first class.

Mr. JAY. Generally, right.

Mr. ERLBORN. Would you suggest those Federal employees who are studying poverty and hunger should travel first or tourist class?

Mr. ROSENTHAL. OK.

Mr. JAY. Thank you.

Mr. ROSENTHAL. Well, I think, you know it is incumbent upon any Federal employee, the same way most Congressmen react. My preference is always to get a tourist-class ticket wherever it is possible and I am sure that any Federal employee will do the same thing.

Mr. JAY. It is the practice in most agencies now to require the employee to write a considerably lengthy justification for first-class travel. In other words, first-class travel is very definitely discouraged.

Mr. BROWN. May I just ask a question about the reasons for first class? What are the advantages of first-class travel over tourist travel?

Mr. JAY. Well, let me—

Mr. BROWN. Tourist class. You don't arrive at a different time.

Mr. JAY. If I might toss that to our national president who has done a lot of travel as a professional, Mr. MacCutcheon, an engineer.

Mr. MACCUTCHEON. I don't think there is any, what you could call practical advantage to the first-class travel per se. I think it is all part of a larger picture in terms of the Federal career service.

In the agencies in which I have served we have attempted to get young people interested in careers in the professional activities of these agencies. We manage to get the young people in all right, and they start looking around at what sort of provisions are made for the senior people in the organizations, and they find, generally speaking, that the Government employees don't share the emoluments that are available to their private enterprise counterparts, and the result of this is that we very frequently lose these young people. They go into private industry where they feel that they can make the sort of life they want for themselves, and very frequently these are the more intelligent, more effective candidates for career service.

I think it is just one of these sort of RHIP things that is important to establishing the type of membership in our Federal career service that would be established.

Mr. JAY. We have gone a long way since we used to have a separate career service from professional. If you may recall the old P rating system, the professional rating which did a good deal to give the professionals status and prestige which they felt were appropriate to their field of study and their profession itself, and the tendency of the last 20 years has been to supervise and adjust the conditions of employment for everybody according to the lowest common denominator. This has been a great detriment to retaining the best people. Those that go out of the Federal service find that there are far more benefits in private enterprise, these fringe benefits that do not show up in surveys. In fact, the Brookings Institution did quite an extensive study on the image of the Federal service and pointed out a lot of these differentials.

Mr. BROWN. I would just like to suggest if we are losing people because of the prestige factor of not being able to travel first class, maybe they are people we ought to lose anyway.

I am inclined to think that we have a very distinct difference in the source of the funds which pay for industrial representatives versus those who are representative of the Federal Government. That is, those who are representatives of the Federal Government have their salaries and their offices paid by taxpayers, whether willingly or not, whereas those in industry are having theirs paid primarily by customers. This, too, falls eventually on the taxpayer when the Government is the customer. But if we had a taxpayer's revolt, I would not like to be a Federal employee riding in the first-class section, because I think maybe he would be the first to go. Frankly, I think the Congress has already set some bad examples in its own pay and emoluments and many of us are hearing from home to this effect; so I doubt, seriously, if this part of your testimony is going to get much serious attention. But perhaps it is just as well that you were allowed to make the point that you have—prestige of Federal service for professional people should be high. Certainly, none of us want to halt that, but, again, I am inclined to think prestige can be high in terms of the opportunity for public service and as part of the satisfaction afforded by the office without the first-class travel and the free drinks.

Mr. ROSENTHAL. Chairman Ramspeck, did you want to say something?

Mr. RAMSPECK. Mr. Chairman, I don't think I can add anything very much to it without repeating what I said to this committee last year.

Mr. ROSENTHAL. That was very persuasive testimony, because you cited your own specific examples.

Mr. RAMSPECK. I would request, if the committee agrees, that the testimony I delivered last year on this subject be included in this record.

Mr. ROSENTHAL. Without objection.

(The testimony referred to follows:)

Mr. RAMSPECK. Thank you, Mr. Chairman. I recently had some experience in traveling at Government expense as a member of the Commission which the Congress established last year to study the political activities of Government personnel under the Hatch Act. I was appointed by the Speaker of the House as one of the members of that bipartisan Commission and we held hearings in Washington, in Atlanta, in Dallas, in Chicago, in Boston, and in San Francisco; and I thought it might be of interest to the committee for me to give you the figures of what I spent. We were not limited except to actual expenses under the resolution which Congress passed.

In Dallas I spent 2 nights. The hotel bill was \$28.84 and I had four meals there which cost \$9.16, and I had one free meal as a guest of the city attorney of Dallas. So the average per day was \$19.

In Chicago we spent 3 nights. The hotel bill was \$53.75. I had eight meals there which cost \$18.82, a total of \$72.57, an average rate of \$24.19 per day.

In San Francisco we had 2 days of hearings. The hotel bill was \$32.20; six meals cost \$14.70; an average of \$23.45 per day.

In Dallas we had 1 day's hearing. I was there 2 nights. The hotel bill was \$28.03, three meals at \$6.72, a total of \$34.75, or an average of \$17.37.

In Boston we had 1 day's hearing and for personal reasons I went up at night and spent only one night there. I got in there late and didn't get anything to eat on the plane. I had to eat dinner after I got there at 9 o'clock. The hotel bill was \$13.30, three meals there at \$5.51, for a total of \$18.89, and also had one free meal as a guest of a friend. My only other experience in traveling for the Government, Mr. Chairman, was when I was Chairman of the U.S. Civil Service Commission in 1951 and 1952. I made a trip to several of the regional offices of the Commission—Seattle, San Francisco, and St. Paul and one or two other points—and that trip cost me out of my own pocket about \$250. I have forgotten what the allowance was at that time, but it was not as high as it is now, and, of course, the cost of meals and lodging was not quite so high. But I was gone for 2 or 3 weeks on that trip and it cost me some money.

So, I think, under the present conditions that the \$16 allowance is inadequate.

I recently made a 3,000-mile automobile trip, a personal trip, and I find that even motel rates have gone up. It's not often you get one for less than \$12 a day and some of them cost you \$16 and \$18 and even go up to \$20.

Like everything else in this world we live in, prices seem to be increasing all the time. I think that is all I really can contribute to it. I do want to make one comment which grew out of something I heard here this morning. I don't think Federal employees ought to be treated any better than anybody else, but not any worse than anybody else, and I think they ought to be paid the same as other people and they ought to be treated just like the taxpayers whom Mr. Brown talked about. I am certainly interested in that, Mr. Brown, because I am retired now and my income doesn't increase any more as inflation comes on. I hope this committee will see fit to raise this allowance because I think it's totally inadequate under present-day conditions.

Mr. RAMSPECK. I endorse the statement which Mr. Jay has filed, and if I may take another minute to give Mr. Brown an answer to criticism he is getting, he says, about the pay increase. I served 16 years in Congress and quit because I couldn't save any money. The first year I was out of Congress I worked for a trade association that paid me twice as much salary, plus expenses, and I was able to save \$10,000 that year.

Now the thing, Mr. Brown—and I served with your father whom I had great admiration for—the thing that people at home don't understand about a Congressman is he has got no expense account. All of his

expenses come out of that salary, and that is why I think the increase that you have just recently gotten is justified, and if I am not mistaken you probably spend more than half of it on expenses which any private employer would reimburse you for.

Mr. BROWN. Mr. Ramspeck, I have the greatest respect for your views and for you, sir; and, of course, you are quite right that it is expensive to hold this job or to try to hold it. Even were it not, I am sure that my family and I could find ways to spend any amount of money we might be able to come by. But I am inclined to think that there are times when restraint is called for by all members of our society, including, and perhaps particularly including, Members of Congress who ought to provide an example. My own thinking is, at this time when inflation seems to be so rampant, perhaps we should be an example for others. I do have sympathy in this problem of per diem allowance maximums, and think that we are going to have to take some action on it. I am sorry that I can't share your views about the benefits to be derived from having Federal employees, even professionals, traveling first class in an airplane. When the opportunity is presented for me to travel, my staff is instructed always to make my reservations tourist class. If the only reservations left are first class, and one has to get there, that is, of course, about the only choice one has and I think that discretion ought to be allowed for a governmental agency.

But it seems to me, again, those of us who are in the Government service ought to be an example of economy rather than an example of the seeking of prestige status.

Mr. ROSENTHAL. Thank you very, very much, gentlemen.

Mr. RAMSPECK. Thank you, sir.

Mr. ROSENTHAL. We have no further public witnesses. The subcommittee, this afternoon, is going into executive session to act on the bill that we have held hearings on.

(Whereupon, at 3:40 p.m., the subcommittee proceeded into executive session.)



LEGISLATIVE HISTORY
PUBLIC LAW 91-114
H. R. 337

TABLE OF CONTENTS

Index and summary of H. R. 337.....1
Summary of Public Law 91-1142

INDEX AND SUMMARY OF H. R. 337

Jan.	3, 1969	Rep. Rosenthal introduced H. R. 337 which was referred to House Government Operations Committee. Print of bill as introduced.
Jan.	31, 1969	Sen. Harris introduced S. 820 which was referred to Senate Government Operations Committee. Print of bill as introduced.
Mar.	20, 1969	House Committee reported H. R. 337 with amendments. H. Report 91-111. Print of bill and report.
Mar.	25, 1969	House Rules Committee reported resolution for consideration of H. R. 337.
Mar.	26, 1969	House passed H. R. 337 as reported.
Mar.	27, 1969	H. R. 337 was referred to Senate Government Operations Committee. Print of bill as referred.
Sept.	23, 1969	Senate committee voted to report H. R. 337.
Oct.	3, 1969	Senate committee reported H. R. 337 with amendments. S. Report 91-450. Print of bill and report.
Oct.	8, 1969	Senate passed H. R. 337 as reported.
Oct.	30, 1969	House concurred in Senate amendment to H. R. 337.
Nov.	10, 1969	Approved: Public Law 91-114.

Hearing: H. committee on H. R. 337.

91ST CONGRESS
1ST SESSION

H. R. 337

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1969

Mr. ROSENTHAL introduced the following bill: which was referred to the Committee on Government Operations

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 5702 of title 5, United States Code, is amended
4 by striking out “\$16” and inserting in lieu thereof “\$25”,
5 by striking out “\$30” and inserting in lieu thereof “\$35”,
6 and by striking out “\$10” and inserting in lieu thereof
7 “\$15”.

8 SEC. 2. Section 5703 of title 5, United States Code, is
9 amended by striking out “\$16” and inserting in lieu thereof
10 “\$20”, by striking out “\$30” and inserting in lieu thereof

1 “\$25”, and by striking out “\$10” and inserting in lieu
2 thereof “\$15”.

3 SEC. 3. Section 3581 (d) of title 39, United States Code,
4 is amended by striking out “\$9” and inserting in lieu thereof
5 “\$15”.

6 SEC. 4. The last sentence of section 867 (a) (1) of title
7 10, United States Code, is amended to read as follows:
8 “Upon his certificate, each judge, while attending court, or
9 transacting official business outside the District of Columbia,
10 is entitled to be paid all necessary traveling expenses and
11 allowances as provided for each Justice or judge of the
12 United States under section 456 of title 28.”.

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

By Mr. ROSENTHAL

JANUARY 3, 1969

Referred to the Committee on Government Operations

91ST CONGRESS
1ST SESSION

S. 820

IN THE SENATE OF THE UNITED STATES

JANUARY 31, 1969

Mr. HARRIS introduced the following bill; which was read twice and referred to the Committee on Government Operations

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 5702 of title 5, United States Code, is amended
4 by striking out “\$16” and inserting in lieu thereof “\$25”,
5 by striking out “\$30” and inserting in lieu thereof “\$50”,
6 and by striking out “\$10” and inserting in lieu thereof
7 “\$18”.

8 SEC. 2. Section 5703 of title 5, United States Code, is
9 amended by striking out “\$16” and inserting in lieu thereof
10 “\$25”, by striking out “\$30” and inserting in lieu thereof

1 “\$50”, and by striking out “\$10” and inserting in lieu
2 thereof “\$18”.

3 SEC. 3. The seventh paragraph under the heading “Ad-
4 ministrative Provisions” in the Senate section of the Legisla-
5 tive Branch Appropriation Act, 1957 (2 U.S.C. 68b), is
6 amended by striking out “\$16” and inserting in lieu thereof
7 “\$25”, and by striking out “\$30”, and inserting in lieu
8 thereof “50”.

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

By Mr. HARRIS

JANUARY 31, 1969

Read twice and referred to the Committee on
Government Operations

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued March 21, 1969
For actions of March 20, 1969
91st-1st; No. 49

CONTENTS

Adjournment.....	11,36	Forest lands.....	17	Pollution.....	4,40,43,64
Aging.....	15	Forestry.....	7,29	Poverty.....	32,58
Appalachian Regional Commission.....	16	Free trade.....	46	Product safety.....	49
Arbor Day.....	77	Grains.....	26	Reclamation.....	13
Buildings.....	21	Health.....	25,62	Recreation.....	61
CCC.....	16	Hogs.....	41	Research.....	9,14,29,54,73
Census.....	8,39,69	Honey imports.....	75	Retirement.....	48,53,59
Child nutrition.....	1	Housing.....	29,67	Rural development.....	28
Claims.....	19	Hunger.....	37	Rural mail.....	74
Committee assignments.....	5	Imported food.....	34	Rural telephones.....	68
Conservation.....	18,42	Interest rates.....	24	Saline water.....	14
Consumers.....	38	Legislative program.....	10	Salaries.....	71
Cooperatives.....	28	Loans.....	68	School lunches.....	1
Department of Peace.....	33	Lumber prices.....	7,47	Screw worm.....	9
Education.....	6,58	Lumber standards.....	31	Small business.....	27
Electrification.....	28,68	Marine sanctuaries.....	50	Special milk.....	2,10
Farm labor.....	22	Meat inspection.....	51	Storm warnings.....	73
Federal aid.....	23,30,67	Milk.....	2,35,63	Supergrades.....	20
Firefighters.....	55	Mink imports.....	56	Tariff.....	56,75
Food inspection.....	34	Nominations.....	16	Taxation.....	30,64,76
Food stamp.....	44,52	Non-farm income.....	30,64	Transportation.....	46
Foreign affairs.....	65	Organization.....	66,70	Travel.....	3,10
Foreign aid.....	45	Personnel.....		Water resources.....	54
Foreign trade.....	34,46,56,75	3,20,48,53,57,59,60,62,71		Wilderness.....	12
		Pesticides.....	40	Wildlife.....	72

HIGHLIGHTS: House passed bill to provide free and reduced-price meals for needy children. House committee reported bill to make special milk program permanent. House committee reported bill to increase per diem travel allowance. Senate committee reported Desolation Wilderness bill. Senate confirmed Paarlberg nomination to CCC Board of Directors.

HOUSE

1. CHILD NUTRITION. Passed with amendments H. R. 515, to amend the National School Lunch Act and the Child Nutrition Act of 1966 (pp. H1950-63). The committee report summarizes the bill as follows: "The bill amplifies present language... of the National School Lunch Act which requires meals to be served without cost or at a reduced cost to children unable to pay the full cost of the lunch. The bill requires that such children be determined by a systematic plan applied to all families on the basis of need criteria...Under the bill, State appropriated funds for the school lunch program made up from tax sources must equal at least 4 percent of the matching requirements. Every other fiscal year thereafter the State revenue matching requirement would be increased by 2 percent until the State matching requirements reached a level of 10 percent...authorizes nutrition training in education...would amend appropriations authorizations of the National School Lunch Act and the Child Nutrition Act to permit not to exceed 1 percent of the funds to be used for grants to States in providing nutritional training and education for program participants and employees...would permit the Secretary of Agriculture to take a hard look at some of the competition to the balanced meal offered within schools and service institutions" and "provides flexibility to the Department and to the States as they move toward providing a fully adequate food service for children."

Agreed to amendments by Rep. Steiger to (1) force State revenue to be used proportionately between regular school lunch programs and special school lunch programs and (2) require cooperation and coordination between USDA and HEW in the development of nutrition education and training in schools and evaluation of the effectiveness of food programs for children (pp. H1961-3).

2. SPECIAL MILK. The Agriculture Committee reported H. R. 5554, to make the special milk program for children permanent (H. Rept. 91-110). p. H1990
3. TRAVEL. The Government Operations Committee reported with amendments H. R. 337, to increase the maximum rate of per diem allowance for employees of the Government traveling on official business (H. Rept. 91-111). p. H1990
4. POLLUTION. The Public Works Committee voted to report (but did not actually report) H. R. 4148, the proposed Water Quality Improvement Act. p. D209
5. COMMITTEE ASSIGNMENTS. Accepted the resignation of Rep. Corbett as a member of the House Administration Committee and elected Rep. Hansen, Idaho, as a member of this committee. p. H1950
6. EDUCATION. Rep. Perkins inserted excerpts from testimonies evaluating the effectiveness of elementary and secondary education legislation. pp. H1968-72
7. LUMBER PRICES. Rep. Wyatt stated the reason behind the building material price increase, "particularly as it applies to lumber and plywood products, can be linked to the very basic functions of supply and demand" and suggested the introduction of "high intensity forest management...involving precommercial and commercial thinnings--reforestation with super trees, genetics, and fertilization--using every known method of making trees grow more rapidly." pp. H1974-6
8. CENSUS. Rep. Charles H. Wilson stated that as chairman of the Subcommittee on Census and Statistics he intends to undertake a complete examination of the "controversial census question issue." p. H1979

MAXIMUM PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES

MARCH 20, 1969.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany H.R. 337]

The Committee on Government Operations, to whom was referred the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 4, strike out "\$25" and insert "\$22".

Page 1, line 10, strike out "\$20" and insert "\$22".

Page 2, strike out lines 3 through 12.

PURPOSE

The purpose of H.R. 337 is to amend existing travel expense legislation for Government employees to increase the maximum per diem in lieu of subsistence and the maximum amounts which may be reimbursed when actual expenses are paid to more nearly reflect the costs of official travel at the present time.

The bill's main features are as follows:

1. The maximum per diem allowance is increased from its present rate of \$16 to \$22 per day. The specific per diem will be set by the departments and agencies based on the nature and destination of the travel and such other factors as may properly be taken into consideration.

2. The maximum allowance for official travelers authorized to be paid on an actual expense basis is increased from the present \$30 to \$35 per day.

3. Officials traveling in foreign countries will be allowed an additional \$15 per day, rather than the present \$10, above the per diem set by the State Department when such additional allowance is deemed necessary.

HEARINGS

Hearings were held by the Subcommittee on Executive and Legislative Reorganization on H.R. 337 during which officials of the Bureau of the Budget and representatives of Government employee organizations testified and submitted factual data. All witnesses agreed that the maximum travel allowance should be increased.¹

SECTION-BY-SECTION ANALYSIS OF THE BILL

Payment of travel expenses such as hotel, food, and other subsistence costs to Government employees traveling on official business is authorized by the Travel Expense Act of 1949 and subsequent amendments, now codified in sections 5701-5708 of title 5 of the United States Code. The pertinent provisions affected by H.R. 337 are sections 5702 and 5703. The act provides maximum amounts which may be paid by departments and agencies and it was not anticipated by the Congress that the maximum would be set for all travel. Based on the expected costs of the particular travel, the agencies exercise their discretion to set rates that in many cases are lower than the maximum. Overall policies and regulations are made by the Bureau of the Budget.

Section 1 of the bill, as amended, raises the maximum per diem within the United States from the present \$16 to \$22 per day. Thus, where a department or agency determines that the expenses to be incurred warrant it, any amount up to the maximum may be paid.

Per diem is the customary way of paying travel expenses but the law provides that when the actual expenses of a trip within the United States are greater than the maximum per diem due to the unusual circumstances of the travel assignment, the employee's actual and necessary expenses may be paid up to a present maximum of \$30 per day. Thus, when the unusual circumstances of the travel or conditions at the destination result in costs to the employee that exceed the per diem, he may be paid his specific out-of-pocket expenses up to \$30 per day. The bill increases this maximum to \$35 per day.

When traveling in foreign countries, travel expenses are paid on the basis of a per diem for that country which the State Department determines is adequate. But there are occasions when the per diem may be exceeded by the expenses. The law now permits the payment of an additional \$10 above the per diem for such cases if accompanied by unusual circumstances. This bill increases the \$10 to an additional \$15 per day.

Section 2 makes the same changes in payment of travel expenses for intermittent employees of the Government such as experts and consultants as have been made for the regular employees by section 1. Thus, the maximum per diem they may be paid is increased from \$16 to \$22 per day. Maximum actual expenses within the United States

¹ Hearings on H.R. 337 by the Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations, Mar. 19, 1969.

are increased from \$30 to \$35 per day and, outside of the United States, from the \$10 added to the per diem to \$15 added to the per diem for the country involved.

Sections 3 and 4 have been deleted from the bill.

COMMITTEE POSITION

This bill is a slightly different version of H.R. 13738 which passed the House in the 90th Congress but was not acted upon by the Senate. The earlier measure called for an increase in the maximum per diem to \$20 per day. The pending bill (H.R. 337) calls for \$22 per day based on the exalted costs of travel and subsistence in the past 2 years. The results of studies presented to us during our hearings by the Bureau of the Budget clearly substantiated a minimum increase in hotel and restaurant costs of 10 percent since our 1967 hearings on which the earlier \$20 rate was based. Studies and the actual experiences of their members presented to us by the representatives of Government employee organizations showed an even greater increase.¹ Twenty-two dollars per day is, therefore, a conservative estimate of the average cost of subsistence.

We support this legislation as a matter of fairness and equity. The maximum per diem of \$16 per day was established by legislation in 1961. Incontrovertible evidence was placed before us that necessary expenses incident to official travel have broken well through this ceiling in the years that have intervened. To refuse to recognize this fact would mean that the Congress would require Federal employees who travel on official business to pay a portion of their expenses out of their own pockets.

In 1967, the Bureau of the Budget advised us of the results of a study² it made of employee travel experiences, 51 $\frac{3}{10}$ percent of those reporting were under circumstances where the costs of hotels, meals, and miscellaneous expenses were more than \$16 per day. The average daily subsistence expense for this group was \$19.21. To make the average, of course, a considerable number of travelers exceeded this figure. It was clear, then, that the present \$16 per diem was inadequate.

Another study conducted by the Bureau of the Census produced a sample which showed a daily cost for hotel and meals to be \$17.78, to which a 10-percent allowance of \$1.78 should be added for miscellaneous expense, bringing the total daily subsistence cost to \$19.56.

Testimony was presented to us based on the studies of private accounting firms and trade associations showing increases in the cost of hotel rooms. Harris, Kerr, & Forster reported a 16-percent increase from 1959 to 1966. The American Hotel and Motel Association reported these typical increases in hotel rates in the period 1959-68: Boston, 36.6 percent; Houston, 63.7 percent; Minneapolis, 36.8 percent; New Orleans, 50.9 percent; Philadelphia, 25.5 percent; St. Louis 19.4 percent; and San Francisco, 40.6 percent. The Government Employees' Council, AFL-CIO, stated its own research had revealed that in New York City, the cost of hotel rooms had risen at least 35.2 percent from 1961 to 1968. The indexes maintained by the Bureau of

¹ Hearings, 91st Cong., on H.R. 337 by the Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations, Mar. 19, 1969.

² Hearings, 90th Cong., on H.R. 7113 by the Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations, Sept. 13, 1967 (pt. 1).

Labor Statistics showed an increase of 20 percent in the cost of restaurant meals between 1961 and 1967.

Numerous personal reports from individual travelers were presented to us by representatives of employee organizations, including a log of intercity travel expenses by former Congressman and Civil Service Commission Chairman Robert Ramspeck. They all pointed up the high cost of subsistence and demonstrated the insufficiency of the present \$16 per diem.

The same justification applies to the increase in the maximum allowable when due to unusual circumstances the per diem is clearly inadequate and the actual expenses of the travel are allowed. The traveler must submit a detailed accounting of all expenses in these cases. We were informed by the Bureau of the Budget that very little travel was performed on an actual expense basis. The Bureau indicated, however, that there were sufficient instances of such travel to warrant an increase in the maximum from \$30 to \$40 per day. This committee only approves an increase to \$35 per day.

The committee reiterates that the \$22 per diem and the \$35 limit on actual expenses recommended herewith are the maximum allowable and we charge and expect the departments and agencies, supervised by the Bureau of the Budget, to approve only a per diem warranted by the particular travel being required. Much travel is accomplished below the maximum per diem and we expect this to continue.

We recognize that it is no more possible for the Federal Government to conduct its business without traveling by its personnel than that private corporations can operate on a stationary basis. We expect, however, in view of present budgetary pressures that every effort be made to reduce official travel to the minimum necessary.

As was explained in our analysis above, Government employees, when traveling abroad on official business, are reimbursed on the basis of a per diem set for individual countries by the State Department. This bill has no effect on these per diem rates which vary from country to country and are changed by the Department when conditions in those countries warrant a change. This bill does provide, however, that when there are certain unusual circumstances of a particular trip within a foreign country that clearly will result in expenses beyond the per diem for that country, that departments and agencies may reimburse up to \$15 per day above the per diem. This is an increase from the current \$10 per day. The Bureau of the Budget recommended a differential of \$18 per day. We expect that this provision will not be widely used but is available in the event of special cases of inequities which do occur from time to time.

The Bureau of the Budget has estimated that the increase in the maximum per diem rates it recommended would add approximately \$27 million to the annual cost of official travel to civilian agencies. Since the provisions of the reported bill provide lesser increases than those recommended by the Bureau, the corresponding added annual cost should be somewhat lower than the above estimate. The Bureau expects the executive agencies to absorb the increased costs within available appropriations. See Report of the Bureau of the Budget dated March 17, 1969, printed below.

REPORTS OF DEPARTMENTS AND AGENCIES

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D.C., March 17, 1969.

HON. WILLIAM L. DAWSON,

Chairman, Committee on Government Operations, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 337, a bill to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

The bill would increase the maximum rate of per diem allowance for travel within the contiguous 48 States and the District of Columbia from \$16 to \$25 and would increase the maximum allowance for reimbursement on an actual expense basis for such travel from \$30 to \$35 per day. For travel outside the contiguous 48 States and the District of Columbia the bill would increase the maximum allowance for travel on an actual expense basis from \$10 plus the established maximum per diem rate to \$15 plus the established maximum per diem rate.

In addition, the bill would increase from \$9 to \$15 the per diem allowance which may be paid postal employees who are assigned to road duty, and would authorize payment of travel expense and allowances for each judge of the Court of Military Appeals on the same basis as that for judges of other U.S. courts.

Similar legislation was introduced in the 90th Congress, and after hearings by Chairman Blatnik's Subcommittee on Executive and Legislative Reorganization was reported by your committee and passed the House of Representatives on April 23, 1968. As passed, the bill contained a maximum per diem rate of \$20, which was in accord with the recommendation of the Bureau of the Budget. In all other respects, however, provisions were identical to those in H.R. 337.

With respect to the general travel allowances, the Bureau of the Budget from time to time has conducted surveys of travel subsistence expenses for the purpose of determining the adequacy of maximum per diem allowances. Such a survey was initiated in 1958 and as updated in reports to the Congress in 1960 and 1961 provided a basis for the present maximum per diem allowances. A similar survey was conducted in the spring of 1967 to obtain information and data with respect to the cost of lodging, meals, and miscellaneous expenses for travel within the contiguous 48 States and the District of Columbia. The survey included detailed reports of employee travel from 18 principal Federal agencies, supported by a nationwide sampling of costs by the Bureau of the Census and reports from accounting firms specializing in business analyses for hotel organizations. As we reported to your committee in the 90th Congress, the survey data indicated that subsistence expenses incurred in more than 50 percent of the employee travel experiences were not fully compensated for under the present \$16 maximum per diem allowance.

The data submitted in response to the Bureau's request to the 18 principal Federal agencies for information on subsistence costs represented 12,025 employee travel experiences covering 63,710

man-days of travel. An analysis of these data showed 6,171 travel experiences, 51.3 percent of the total, where subsistence costs exceeded \$16 per day, the average of these being \$19.21. On this basis, we recommended to the Congress a maximum per diem of \$20 in lieu of subsistence expenses.

This recommendation was also supported by the results of the nationwide sampling of hotel and meal costs which was made by the Bureau of the Census. The sampling showed costs of lodging and meals at desirable hotels and restaurants in various size cities and towns averaged \$17.78 per day. Adding 10 percent to this amount for miscellaneous expenses resulted in a total average daily subsistence of \$19.56. Additional support for the recommendation was furnished by the hotel accounting firms from data which they maintain with respect to hotel room rates in principal cities throughout the Nation. A comparison of average room rates by cities showed considerable variation even among the major cities with the nationwide average of such rates for 113 cities at \$10.14. Data gathered on a statewide basis in five States averaged \$10.90. These rates for hotel rooms, together with reasonable allowances for food and miscellaneous expenses resulted in a total subsistence expense falling within the recommended rate.

Since our 1967 review there have been general price advances which are reflected in increased costs for hotels, meals, and miscellaneous expenses. Current cost data indicates that these increases are between 10 and 11 percent over comparable costs in the spring of 1967. On this basis, the employee travel experiences which justified a maximum per diem allowance of \$20 in 1967 would require a \$22 rate under current cost conditions. Therefore, we believe a maximum per diem of \$22 would be required to provide adequate reimbursement to Government travelers for the reasonable costs of their travel. This recommendation should also be applicable to the maximum per diem rate for consultants and others employed on an intermittent basis. These individuals have been authorized the same per diem maximum in the past as Government officers and employees.

In supporting the \$22 maximum we recognize that some employees will incur expenses in excess of \$22 per day. This may be attributable in some instances to the personal desires of the employee. In other instances it will be unavoidable. Frequently, however, such experiences will be offset by other travel experiences where because of special hotel rates or other circumstances the per diem authorized is greater than the subsistence costs incurred. In the overall, the situations in which the \$22 rate will be exceeded should be infrequent, and where they occur and are significant, the Government traveler may be reimbursed on an actual expense basis in accordance with the standardized Government travel regulations up to the statutory maximum.

It should be noted that an increase in the maximum per diem rate to \$22 per day should not result in a flat increase for all Government travelers. As a maximum rate for payment of travel expenses in lieu of actual subsistence, the highest rate should be authorized only when expenses are expected to approximate the maximum. Where experience has shown that actual subsistence expenses of Government travelers in certain circumstances are less than the maximum amount per day, a lesser per diem should be authorized. Many agencies have established

per diem schedules which reflect such considerations. We would expect agencies to continue to emphasize the need to authorize per diem rates that bear a reasonable relationship to the actual expenses of individual travel.

With respect to the maximum per diem allowance for reimbursement of Government travelers on an actual expense basis, agencies in 1967 were asked to provide typical experiences where subsistence costs on an actual expense basis exceeded the \$30 maximum per diem. The response showed that very little travel was performed under this authority and most was adequately compensated for within the present \$30 maximum. However, there were instances where reimbursement was not adequate and these were sufficient to support an increase in the maximum allowance for travel within the contiguous 48 States and the District of Columbia. In 1967 we recommended an increase from \$30 to \$35 per day. In view of current cost data we believe this maximum should be increased to \$40 per day.

For the actual expense method involving travel outside of the 48 States and the District of Columbia, we recommend an increase from \$10 to \$18 to be added to the applicable per diem rates to arrive at a maximum allowance for a particular location. This amount would be in keeping with the differential recommended above for the actual expense method within the 48 States and the District of Columbia. The same differential is justified since the maximum per diem rates for use outside the 48 States and the District of Columbia are reviewed periodically and adjusted where appropriate to keep abreast of changed economic conditions from a travel standpoint.

With respect to the maximum per diem for mobile employees of the Post Office Department, we believe an increase from \$9 to \$17 is justified. Our view is based on recognized cost increases and because the proposed amount would be consistent with the equitable ratio of three-fourths of the maximum per diem for Government employee travel, which was the basis for the initial per diem authorization for these employees.

The proposal that each judge of the U.S. Court of Military Appeals be paid travel expenses and allowances on the same basis as that for judges of other U.S. courts is a desirable amendment to existing law. It would insure equitable treatment of these judges with respect to payment for their travel expenses and allowances.

We estimate that an increase in the maximum per diem rates as recommended above would add approximately \$27 million to the annual cost to civilian agencies for official travel within the contiguous 48 States and the District of Columbia. If the legislation is enacted, we will expect the executive agencies to absorb the increased costs within available appropriations.

If amended as recommended above, we would favor enactment of H.R. 337.

Sincerely,

ROGER W. JONES, *Assistant Director.*

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 18, 1969.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Government Operations, House of Representatives,
Rayburn House Office Building*

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of the Civil Service Commission on H.R. 337, a bill to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

In our experience, the maximum allowable per diem rates are wholly inadequate in most instances, and we urge the Congress to take action as soon as possible.

The Commission in strongly supporting the objectives of H.R. 337, defers to the judgment of the Bureau of the Budget with regard to the amount of increase.

We suggest, however, that section 4 of H.R. 337 be deleted. The enactment of Public Law 90-340, June 15, 1968, no longer makes this provision necessary.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

COMPTROLLER GENERAL OF THE UNITED STATES
Washington, D.C., March 18, 1969.

B-5019.

HON. WILLIAM L. DAWSON,
*Chairman, Committee on Government Operations,
House of Representatives.*

DEAR MR. CHAIRMAN: We refer to your letter of January 29, 1969, by which you request our report on the bill H.R. 337 to increase the maximum rate of per diem allowance for employees of the Government traveling on official business and for other purposes.

Section 1 of the bill would amend section 5702 of title 5, United States Code, by increasing the current maximum therein of \$16, \$30, and \$10. Those amounts represent the maximum per diem allowance for travel inside the continental United States (\$16), the maximum reimbursement for actual and necessary expenses of employees traveling on official business in the continental United States (\$30), and the maximum reimbursement for actual and necessary expenses of employees traveling outside the continental United States (per diem rate applicable plus \$10). The bill would amend the current figures to read \$25, \$35, and \$15, respectively.

Section 2 would amend section 5703 of title 5, United States Code, which covers reimbursable traveling expenses of experts and consultants, as well as individuals serving without pay, traveling on official Government business. Increases would be provided for such individuals similar to those provided for employees covered by 5 U.S.C. 5702 except that the maximum per diem rate for travel inside

the continental United States would be raised to \$20 as contrasted to the rate of \$25 in the amendment to section 5702.

Section 3 would amend section 3581(d) of title 39, United States Code, which is applicable to employees of the postal field service assigned to road duty lasting more than 10 hours, by raising the current maximum per diem rate of \$9 to \$15.

Section 4 would amend section 867(a)(1) of title 10, United States Code, under which reimbursement of traveling expenses incurred by the judges of the Court of Military Appeals is authorized by eliminating the current per diem maximum of \$15 and by authorizing such judges reimbursement for traveling expenses under provisions of title 28, United States Code, section 456, which covers reimbursement of the traveling expenses of justices and judges of other U.S. courts.

Our information concerning subsistence costs at our regional office sites and other localities regularly visited by our employees on Government business indicates that the costs for lodging, meals, and other subsistence expenses have increased to the point where the maximum currently prescribed does not cover subsistence expenses incurred by prudent employees.

We note from House Report 1144 on H.R. 13738, 90th Congress, covering proposed per diem increases, that the \$20 rate approved by the committee was considered a "conservative maximum." In view thereof, and since an increase in subsistence costs since that time is indicated, a basis exists for a higher maximum than \$20. We understand that Bureau of the Budget will recommend a maximum rate of \$22. This rate will not fully compensate all of our employees who are required to travel. However, we think an increase in the rate to \$22 would take care of the travel expenses of a majority of our employees.

Regarding the proposed amendment to 5 U.S.C. 5703, we note that the maximum per diem rate for travel within the continental United States would be \$20 and not \$25 as would be applicable to similar travel performed by regular employees covered by 5 U.S.C. 5702. We believe that consideration should be given to increasing that rate to be equal with the rate for similar travel as prescribed by section 5702.

Regarding the proposed change in reimbursement of travel expenses incurred by judges of the Court of Military Appeals, it appears that placing those judges on an equal footing with justices and judges of other United States courts would be equitable.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General of the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTIONS 5702 AND 5703 OF TITLE 5, UNITED STATES CODE

§ 5702. Per diem; employees traveling on official business.

(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance prescribed by the agency concerned. For travel inside the continental United States, the per diem allowance may not exceed the rate of **[\$16]** \$22. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States, for the locality where the travel is performed.

(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct is entitled to the per diem allowances, and transportation expenses to his designated post of duty.

(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) **[\$30]** \$35 for each day in a travel status inside the continental United States; or

(2) the maximum per diem allowance plus **[\$10]** \$15 for each day in a travel status outside the continental United States.

(d) This section does not apply to a justice or judge except to the extent provided by section 456 of title 28.

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay.

(a) For the purpose of this section, "appropriation" includes funds made available by statute under section 849 of title 31.

(b) An individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis may be allowed travel expenses under this subchapter while away from his home or regular place of business, including a per diem allowance under this subchapter while at his place of employment.

(c) An individual serving without pay or at \$1 a year may be allowed transportation expenses under this subchapter and a per diem allowance under this section while en route and at his place of service or employment away from his home or regular place of business. Unless a higher rate is named in an appropriation or other statute, the per diem allowance may not exceed—

(1) the rate of **[\$16]** \$22 for travel inside the continental United States; and

(2) the rates established under section 5702(a) of this title for travel outside the continental United States.

(d) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under

which an individual to whom this section applies may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) **[\$30]** \$35 for each day in a travel status inside the continental United States; or

(2) the maximum per diem, allowance plus **[\$10]** \$15 for each day in a travel status outside the continental United States.



91ST CONGRESS
1ST SESSION

H. R. 337

[Report No. 91-111]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1969

MR. ROSENTHAL introduced the following bill; which was referred to the Committee on Government Operations

MARCH 20, 1969

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 5702 of title 5, United States Code, is amended
4 by striking out “\$16” and inserting in lieu thereof ~~“\$25”~~
5 “\$22”, by striking out “\$30” and inserting in lieu thereof
6 “\$35”, and by striking out “\$10” and inserting in lieu there-
7 of “\$15”.

8 SEC. 2. Section 5703 of title 5, United States Code, is
9 amended by striking out “\$16” and inserting in lieu thereof
10 ~~“\$20”~~ “\$22”, by striking out “\$30” and inserting in lieu

1 thereof "\$35", and by striking out "\$10" and inserting in
2 lieu thereof "\$15".

3 ~~SEC. 3.~~ Section 3581(d) of title 39, United States Code,
4 is amended by striking out "\$9" and inserting in lieu thereof
5 "\$15".

6 ~~SEC. 4.~~ The last sentence of section 867(a)(1) of title
7 10, United States Code, is amended to read as follows:
8 "Upon his certificate, each judge, while attending court, or
9 transacting official business outside the District of Columbia,
10 is entitled to be paid all necessary traveling expenses and
11 allowances as provided for each Justice or judge of the
12 United States under section 456 of title 28."

91ST CONGRESS
1ST SESSION

H. R. 337

[Report No. 91-111]

A BILL

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

By Mr. ROSENTHAL

JANUARY 3, 1969

Referred to the Committee on Government Operations

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Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued March 26, 1969
For actions of March 25, 1969
91st-1st; No. 51

CONTENTS

Appalachia.....	15,31	Forest lands.....	36	Ocean research.....	42
Appropriations.....	1	Grapefruit.....	12	Personnel.....	3,23
Bonds.....	34	Health.....	44	Pollution.....	2,44
CCC.....	1	Health benefits.....	23	Public works moratorium..	5
Census.....	38	Highways.....	24	Purchasing.....	33
Child nutrition.....	4,18	Housing.....	8	Reclamation.....	40
Cigarette		Information.....	14,38,39	Recreation.....	21
advertising.....	11,16	Inspection service.....	26	Reorganization.....	19
Consumer protection.....	10	Interest rates.....	7,34	Retirement.....	23
Debt ceiling.....	17,45	Labeling.....	27	Taxation.....	6,24
Electrification.....	30	Lands.....	29,35,36	Tobacco.....	11,16
FHA loans.....	20,43	Legislative program.....	13	Travel.....	3
Farm loans.....	20,43	Libraries.....	39	U.S.-Mexico.....	32
Farm program.....	41	Lumber prices.....	22	Water.....	35,40
Fisheries.....	28	Meat imports.....	25	Watersheds.....	9
Foreign affairs.....	32	Milk.....	4		
Foreign trade.....	25,37	Mink imports.....	37		

HIGHLIGHTS: See page 6.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. J. Res. 584. Rep. Mahon stated "this is a joint resolution advancing from fiscal year 1970 into fiscal year 1969 the sum of \$1 billion for the purpose of restoring impaired capital of the Commodity Credit Corporation. Due to heavy unexpected production of certain of the major crops, the Commodity Credit Corporation has on hand about \$5 billion worth of commodities. As a result of this and other factors it is substantially out of cash to carry on its operations." pp..H2022-7

2. POLLUTION. The Public Works Committee reported with amendment H.R. 4148, to amend the Federal Water Pollution Control Act, as amended (H. Rept. 91-127). p. H2217.
3. TRAVEL. The Rules Committee reported a resolution for the consideration of H.R. 337, to increase the maximum rate of per diem allowance for employees of the Government traveling on official business (H. Rept. 91-129). p. H2217.
4. MILK. The "Daily Digest" states that the Rules Committee postponed action on H.R. 5554, to make the special milk program for children permanent. pp. D223-4.
5. PUBLIC WORKS MORATORIUM. Rep. Jones, Ala., expressed concern that "the administration is seriously considering a moratorium on public works" which he stated would have an adverse effect on the employment and the economy of every State in this Union." p. H2027.
6. TAX REFORM. Rep. Podell spoke in support of reforming the tax system. p. H2028.
7. INTEREST RATES. Rep. Patman inserted an article, "Impact of High Interest Rates Falls on Low-Income Group." p. H2214.
8. HOUSING. Rep. Patman inserted resolutions recommended by the Legislative Policy Committee and approved by the Board of Directors of the National Housing Conference. pp. H2195-214.
9. WATERSHEDS. Rep. Edwards, Calif., urged the President to "release the funds" for watershed projects. p. H2188.
10. CONSUMER PROTECTION. Rep. Fascell inserted his letter to the Attorney General requesting his advice on the staffing and functions which he plans to assign to the Office of Consumer Counsel within the Justice Department. p. H2176.
11. CIGARETTE ADVERTISING. Rep. Talcott objected to FCC's proposed banning of all cigarette advertising on radio and television. pp. H2169-70.
12. GRAPEFRUIT. Rep. de la Garza recommended Texas Ruby Red grapefruit to weight watchers and inserted the TexaSweat Citrus Advertising, Inc., Magic Menu. p. H2028.
13. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Wed. the House will consider the per diem travel allowance bill. p. D222.

EXTENSION OF REMARKS

14. INFORMATION. Rep. Bray praised as a smart move the Federal Government's request for help by experienced businessmen, and inserted the text of a handbook, "Pointers On Preparing an Employee Handbook." pp. E2360-2.
15. APPALACHIA. Rep. Fulton, Pa., inserted Pa. Gov. Shafer's testimony in support of extension of the Appalachian Regional Development Act. pp. E2365-7.

12. INFORMATION. Sen. Scott inserted an article commending the record of Herb Klein as communications director of the executive branch. pp. S3271-2
13. PERSONNEL. Sens. Curtis and Hruska spoke in favor of S. 1538, to abolish the Commission on Executive, Legislative, and Judicial Salaries. pp. S3297-8

HOUSE

14. SPENDING; TAXATION. Both Houses received the President's message expressing an intention to combat inflation by reducing spending and maintaining revenues, combined with extension of the 10% income tax surcharge for another year and postponement of reductions in telephone and auto taxicab taxes; to Senate Appropriations and Finance Committees, and House Ways and Means Committee. Reps. Gerald R. Ford and Vanik discussed the message. pp. H2221-2, S3195-6
15. WATER POLLUTION. The Rules Committee reported a resolution for the consideration of H. R. 4148, to amend the Federal Water Pollution Control Act. p. H2291
16. TRAVEL. Passed as reported H. R. 337, to increase the maximum travel allowance for Government employees on official business "from \$16 to \$22 per day and maximum actual expenses within the United States from \$30 to \$35 per day, and outside the United States, from the \$10 added to the per diem to \$15 added to the per diem for the country involved." pp. H2226-30
17. COMMITTEES. Agreed to several committee funding resolutions. pp. H2224-6
18. MARINE RESOURCES. The Merchant Marine and Fisheries Committee reported H. R. 8794, to amend the Marine Resources and Engineering Development Act of 1966 to continue the National Council on Marine Resources and Engineering Development (H. Rept. 91-139). p. H2291
19. EDUCATION. Received from the President the report for fiscal year 1968 on the international educational and cultural exchange program conducted under the Mutual Educational and Cultural Exchange Act of 1961. p. H2221
20. ECONOMIC REPORT. The "Daily Digest" states that the Joint Economic Committee approved its annual report on the President's Economic Report. p. D233
21. ELECTION. Reps. Albert, Fulton, Tenn., and Blanton commended the election of Edward Jones to represent the Eighth Congressional District of Tenn. in Congress. Rep. Albert stated that Rep. Jones is a "farmer and former State commissioner of agriculture." pp. H2222-3
22. TAXATION. Rep. Karth proposed that Congress "let the surtax expire and obtain the \$9 billion in revenues which the surtax is expected to raise, by closing those tax loopholes for individuals and corporations who are profiting unduly at the expense of our overheated war economy." p. H2237
Rep. Madden inserted his testimony on "much-needed Federal tax reform legislation." pp. H2237-8

23. OCEAN RESEARCH. Rep. Fascell called attention to the fifth annual conference and exposition of the Marine Technology Society June 16-19 and stated the seas offer a bonanza of food and mineral wealth. pp. H2284-5
24. GRAZING FEES. Received an Oregon Legislature resolution memorializing this Department to "refrain from implementing the recently proposed increase in fees of grazing on public land." p. H2293

EXTENSION OF REMARKS

25. PUBLIC WORKS. Reps. Ford and Edmondson discussed the pros and cons of a reported moratorium on public works. pp. E2375-6
26. WHEAT. Rep. Sebelius inserted the remarks of the president of Great Plains Wheat Inc., on "new barriers" the wheat industry is facing this year. pp. E2387-8
Rep. Foley inserted remarks of the president of the Western Wheat Associates, USA, Inc., emphasizing importance of a wheat marketing development program. pp. E2444-5
27. REORGANIZATION. Rep. Rumsfeld inserted an article outlining the possible development of computer-based information techniques for the Congress and the President. pp. E2422-6
28. CCC SUPPLEMENTAL; FOREIGN TRADE. Speech in the House by Rep. Neal Smith, Ia., stating that the supplemental appropriations request for CCC should draw attention to the importance of world trade in agricultural commodities. pp. E2374-5
Rep. Zwach expressed his support for this appropriation. pp. E2391-2
29. FLOOD CONTROL. Rep. Burke, Mass., stated need of coordinated effort on the part of Federal, State, and local governments is very clear. pp. E2397-8
30. HOUSING; NEW CITIES. Rep. Rees inserted an article, "New Cities for America." pp. E2402-4
31. GRAZING FEES. Rep. Ullman inserted an Oregon State resolution asking for a delay in the proposed grazing fees increase. pp. E2404-5
32. SMALL BUSINESS. Rep. Philbia stated that he is "very much disturbed about the sharp cuts in the budget of Small Business Administration." pp. E2421-2
33. WILDLIFE. Rep. Dingell inserted Rep. Ottinger's speech in which he called for the creation of a Federal "environmental ombudsman." pp. E2428-30
34. MANPOWER. Rep. Steiger, Wisc., commended Secretary of Labor Schultz on his reorganization of the Manpower Administration and inserted an article, "GOP Reorganizers Off To a Start." pp. E2447-8

BILLS INTRODUCED

35. TAXATION. H. R. 9523 by Rep. Culver, to amend the Internal Revenue Code of 1954 to liberalize the minimum standard deduction; to the Ways and Means Committee.

tions to be conducted pursuant to H. Res. 189 by the Committee on Public Works, acting as a whole or by subcommittee, not to exceed \$486,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, as the chairman deems necessary, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Public Works shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING EXPENDITURES FOR EXPENSES OF COMMITTEE ON BANKING AND CURRENCY INCURRED PURSUANT TO HOUSE RESOLUTION 152

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-133) on the resolution (H. Res. 272) authorizing the expenditure of moneys to cover expenses of the Committee on Banking and Currency incurred pursuant to House Resolution 152, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 272

Resolved, That, effective from January 3, 1969, the expenses of conducting the studies, investigations, and inquiries authorized by H. Res. 152, Ninety-first Congress, incurred by the Committee on Banking and Currency, acting as a whole or by subcommittee, not to exceed \$300,000, including expenditures for employment, travel, and subsistence of attorneys, accountants, experts, investigators, and clerical, stenographic, and other assistants, with respect to any matter or matters in the field of housing coming within the jurisdiction of such committee or subcommittee, including, but not limited to, (1) the status and adequacy of mortgage credit in the United States, (2) the terms and availability of conventional mortgage financing, (3) the flow of savings in relation

to home financing needs, (4) the operation of the various Government-assisted housing programs, (5) the current rate of construction of residential dwelling units in relation to housing requirements and demands, (6) the role of housing construction in the national economy, (7) the requirement of and demand for Federal assistance in the development of community facilities, including mass transportation and other related facilities, (8) urban and suburban problems, including transportation facilities, as they affect the availability of adequate housing, (9) the operation of the slum clearance and urban renewal programs, and (10) rural housing and the adequacy of rural housing credit, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Banking and Currency shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 1, line 5, strike out "\$300,000", and insert in lieu thereof "\$250,000".

On page 3, starting on line 1, insert the following new section:

"SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF STUDIES AUTHORIZED BY HOUSE RESOLUTION 152, COMMITTEE ON BANKING AND CURRENCY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-134) on the resolution (H. Res. 271) to provide funds for the expenses of the studies, investigations, and inquiries authorized by House Resolution 152, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 271

Resolved, That, effective from January 3, 1969, the expenses of conducting the investigations and studies authorized by H. Res. 152, Ninety-first Congress, by the Committee on Banking and Currency, acting as a whole or by subcommittee, not to exceed \$442,500 for the first session of the Ninety-first Congress, including expenditures for

employment, travel, and subsistence of accountants, experts, investigators, attorneys, and clerical, stenographic and other assistants, shall be paid out of the contingent fund of the House on voucher authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Banking and Currency shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

With the following committee amendment:

On page 2, immediately after line 8, insert the following new section:

"SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES INCURRED PURSUANT TO HOUSE RESOLUTION 200

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-135) on the resolution (H. Res. 273) providing for the expenses incurred pursuant to House Resolution 200, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 273

Resolved, That, effective from January 3, 1969, the expenses of the studies and investigations to be conducted pursuant to H. Res. 200 by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed \$769,600, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration. Of such amount \$60,000 shall be available for each of six standing subcommittees of the Committee on Education and Labor, and not to exceed \$409,600 shall be available to the Committee on Education and Labor.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING EXPENSES FOR CONDUCTING STUDIES AND INVESTIGATIONS PURSUANT TO HOUSE RESOLUTION 268

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-136) on the resolution (H. Res. 301) authorizing expenses for conducting studies and investigations pursuant to House Resolution 268, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 301

Resolved, That, effective from January 3, 1969, the expenses of conducting the investigations and studies pursuant to H. Res. 268, by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed \$412,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

SEC. 3. The chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON HOUSE ADMINISTRATION

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-137) on the resolution (H. Res. 315) providing funds for the Committee on House Administration, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 315

Resolved, That, effective January 3, 1969, in carrying out its duties during the Ninety-first Congress, the Committee on House Administration is authorized to incur such expenses (not in excess of \$300,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation on any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91-138) on the resolution (H. Res. 320) providing funds for the Committee on Interstate and Foreign Commerce, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 320

Resolved, That, effective January 3, 1969, the expenses of conducting the studies, investigations, and inquiries authorized by H. Res. 110, Ninety-first Congress, incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed \$595,000, including expenditures for employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAXIMUM PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 337 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 337

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for

amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. SMITH), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 337 provides an open rule with 1 hour of general debate for consideration of H.R. 337 to increase existing travel expenses for Government employees. The bill would increase the maximum per diem allowance within the United States from its present rate of \$16 to \$22 per day. Thus, where an agency or department determines that the expenses are warranted, any amount up to the maximum may be paid.

Mr. Speaker, I know that there is a great effort being made to curb expenditures of the Federal Government, but I hope that the departments or agencies for which an employee is working will grant to that employee his actual expenses incurred up to the \$22 per day so that the employee will not have to bear that additional expense. I hope the authority will not be exercised to reduce this amount because I think the Federal Government has been making it necessary for faithful and loyal employees of this Government to go heavily into their savings or salaries in order to pay their necessary traveling expenses which they incur on their part. Even the \$22 a day, with the high cost of motel and hotel bills and traveling in the continental United States is really not enough for actual travel expense within the United States for Federal employees, and I certainly hope that the \$22 maximum which under H.R. 337 will not be reduced by the executive agencies of the Government.

When, due to unusual circumstances, the actual expenses of a trip within the United States are greater than the maximum per diem, the employee's actual and necessary expenses may be paid up to a present maximum of \$30 per day. H.R. 337 increases this maximum to \$35 per day.

When traveling in foreign countries, travel expenses are paid on the basis of a per diem for that country which the State Department determines to be adequate. There are occasions, however, when the per diem may be exceeded by the expenses. Presently the law permits the payment of an additional \$1 above the per diem for such cases if accompanied by unusual circumstances. The bill if adopted, would increase the \$10 allowance to an additional \$15 per day.

The legislation makes the same changes in payment of travel expenses for intermittent employees of the Government, such as experts and consultants, as have been made for regular employees. Thus, the maximum per diem is increased from \$16 to \$22 per day and maximum actual expenses within the United States from \$30 to \$35 per day and, outside the United States, from the \$10

added to the per diem to \$15 added to the per diem for the country involved.

Mr. Speaker, I think this is legislation too long delayed by our Government and I hope this rule will be adopted so that H.R. 337 may be considered and I hope adopted by the House.

The SPEAKER. The Chair recognizes the gentleman from California (Mr. SMITH).

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, I believe it is rather interesting to note that the number on the resolution, No. 337, and the bill which we will be considering is the same, H.R. 337.

Mr. Speaker, this resolution is to provide a rule with 1 hour of open debate for the consideration of the bill H.R. 337, having to do with the maximum per diem allowance for Government employees.

Mr. Speaker, the purpose of H.R. 337 is to amend current travel expense legislation for Government employees.

The per diem allowance is increased from \$16 to \$22 per day.

The maximum allowance on an actual expense basis is increased from \$30 to \$35 per day.

Finally, the bill increases the foreign travel allowance above the established per diem from \$10 to \$15 per day.

The estimated cost of the increases contained in the bill, exclusive of travel abroad, is \$27,000,000. The Bureau of the Budget expects the additional cost to each agency to be absorbed.

The bill is only slightly different than a similar bill which passed the House last year but was not acted on by the Senate. The difference is an increase in the per diem from \$20 to \$22 to reflect the approximate cost increase since 1967 when the last Bureau of the Budget study was completed.

There are no minority views.

The administration supports the bill.

Mr. Speaker, I urge adoption of the rule.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROSENTHAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 337, with Mr. ANNUNZIO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. ROSENTHAL) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. BROWN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. ROSENTHAL).

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H.R. 337 would increase the maximum rate of per diem allowance for civilian employees of the Government traveling on official business. Per diem, as we all know, is a flat-rate reimbursement which covers the average cost of subsistence when Government employees must travel in carrying out their responsibilities. This flat rate covers hotels, food costs, and certain other expenses. The present rate is \$16 per day set by the Congress in 1961. Last year we passed H.R. 13738, raising the per diem rate to \$20, but that bill was not acted upon by the Senate.

In summary, the bill, as amended by the committee, raises the maximum per diem rate from the present \$16 per day to \$22 per day and raises the maximum reimbursement for actual expenses—only allowed in unusual circumstances—from \$30 per day to \$35.

When our Government officials are traveling in foreign countries, travel expenses are paid on the basis of a per diem for that country which the State Department sets, but there are occasions when the per diem may be exceeded by actual out-of-pocket expenses. The law now permits the payment of an additional \$10 above the per diem for such cases if accompanied by unusual circumstances. H.R. 337 increases this per diem from \$10 to \$15 per day. The bill makes the same changes in the per diem rates and payment of actual expenses for intermittent employees of the Government, such as experts and consultants, as would be made for regular employees.

Other than the increase in the basic per diem rate to \$22 and the elimination of certain features of that bill affecting judges of the U.S. Court of Military Appeals and mobile employees of the Post Office, the bill is the same as the one which passed the House last year. The House-passed bill provided for \$20 per day. H.R. 337, as introduced in this Congress, called for \$25 per day, but the committee agreed with the recommendations of the Bureau of the Budget that the figure be set at \$22 per day. The Bureau reported that its studies showed a 10-percent increase in travel subsistence costs since our hearings of 2 years ago. The Government employee unions, however, all supported the \$25 figure and submitted their own evidence of the need for that maximum.

This bill, as we present it, is a very conservative one and may still be less than adequate to meet the expense of those Federal workers who must travel at the direction of their agencies. Action must be taken, however, to remedy the

obvious inequity of the present \$16 per diem.

The action of the committee and our recommendation that this bill be passed by the House are based on the hard statistical facts of increased cost of travel that were presented to us during our hearings. They have been summarized in our committee report. The committee has always taken the position that Government employees should not be expected to pay out of their own pockets the cost of doing the Government's work. Travel is as necessary to conducting our Government's business as it is in private industry.

I would direct the attention of my colleagues to page 3 of the report which indicates the findings of the Bureau of the Budget and the Bureau of the Census and numerous independent accounting offices which shows that there has been an increase in the cost of travel and the cost of hotel and meals and other expenses over and above what the Bureau of the Budget reported in 1967. All other reports and investigations by outside agencies support the figures as provided in this bill.

May I also state, Mr. Chairman, that our former colleague, Chairman Ranspeck testified in support of this bill and he cited his own personal experiences in spending considerably more than \$16 per day in traveling on official business.

The Bureau of the Budget has estimated that the increase in the maximum per diem rates it recommended would add approximately \$27 million to the annual cost of official travel to civilian agencies. Since the provisions of the reported bill provide lesser increases than those recommended by the Bureau, the corresponding added annual cost should be somewhat lower than the above estimate. The Bureau expects the executive agencies to absorb the increased costs within available appropriations.

Payment of travel expenses such as hotel, food, and other subsistence costs to Government employees traveling on official business is authorized by the Travel Expense Act of 1949 and subsequent amendments, now codified in sections 5701 to 5708 of title 5 of the United States Code. The pertinent provisions affected by H.R. 337 are sections 5702 and 5703. The act provides maximum amounts which may be paid by departments and agencies and it was not anticipated by the Congress that the maximum would be set for all travel. Based on the expected costs of the particular travel, the agencies exercise their discretion to set rates that in many cases are lower than the maximum. Overall policies and regulations are made by the Bureau of the Budget.

Section 1 of the bill, as amended, raises the maximum per diem within the United States from the present \$16 to \$22 per day. Thus, where a department or agency determines that the expenses to be incurred warrant it, any amount up to the maximum may be paid.

Per diem is the customary way of paying travel expenses but the law provides that when the actual expenses of a trip within the United States are greater than the maximum per diem due to the un-

usual circumstances of the travel assignment, the employee's actual and necessary expenses may be paid up to a present maximum of \$30 per day. Thus, when the unusual circumstances of the travel or conditions at the destination result in costs to the employee that exceed the per diem, he may be paid his specific out-of-pocket expenses up to \$30 per day. The bill increases this maximum to \$35 per day.

When traveling in foreign countries, travel expenses are paid on the basis of a per diem for that country which the State Department determines is adequate. But there are occasions when the per diem may be exceeded by the expenses. The law now permits the payment of an additional \$10 above the per diem for such cases if accompanied by unusual circumstances. This bill increases the \$10 to an additional \$15 per day.

Section 2 makes the same changes in payment of travel expenses for intermittent employees of the Government such as experts and consultants as have been made for the regular employees by section 1. Thus, the maximum per diem they may be paid is increased from \$16 to \$22 per day. Maximum actual expenses within the United States are increased from \$30 to \$35 per day and, outside of the United States, from the \$10 added to the per diem to \$15 added to the per diem for the country involved.

Sections 3 and 4 have been deleted from the bill.

Mr. Chairman, the passage of this bill, in my judgment, is a matter of simple justice and fairness to our dedicated and hardworking Government employees. In many, many cases and perhaps in the majority of cases, these employees, while traveling on official business, have had to spend personal funds beyond the per diem allotment of \$16 per day.

Mr. Chairman, I hope the bill will be overwhelmingly passed by the House today.

Mr. BETTS. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. BETTS. I wonder if the gentleman would explain the difference between Government employees and others as is set forth in the second section and why there has to be a discrepancy in the maximum allowances?

Mr. ROSENTHAL. Yes; section 1 of the bill provides the regular per diem of Government employees and raises the per diem from \$16 to \$22 and from \$30 to \$35 under unusual circumstances. All of this was documented by actual experience by the commission.

Section 2 of the bill applies to intermittent employees such as experts and consultants. I might suggest that, while we fix a maximum of \$22 per day, each agency will establish regulations for its own travel and may well fix some lower amount if appropriate.

Mr. BETTS. I was just wondering why there should be a difference so far as these travelers are concerned under section 2 and the Government employees? The only thing I can think of is that section 5712 of the code should be appropriately amended to follow this procedure.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I am happy to yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman yielding.

I wanted a point of information, and I want it understood crystally clear that I believe all of those who travel on official business should have a better per diem rate as we of the Congress who travel on official business on rare occasions, perhaps once a month back and forth to our homes. But pertaining to the gentleman's comments about the Bureau of the Budget estimates, is it not true that the estimate made increase above or below the \$27 million because they estimated that there were 9 million man-days of travel each year by all classes of Federal employees, if I may use that term loosely, and that if we increased the maximum per diem allowance by \$6, as I understand this bill provides, it would cost \$54 million. However, the Bureau of the Budget estimates that only 50 percent of those who drew per diems last year spent more than the present \$16 per day maximum, while the other 50 percent were spending something less than 60 percent. So that they figured that on the average the employees would qualify only for a \$3 increase, or a total of \$27 million. Does the gentleman have any idea about how this \$27 million of additional cost in this time of approaching austerity would hold up under the sections of the bill?

Mr. ROSENTHAL. The gentleman is correct in what he has reported, and I appreciate his comment and his support. The Director of the Bureau of the Budget suggested that their budget was \$27 million, and in view of the fact that we made a reduction in their proposal, it would be something less than that. They also suggested it was not possible to make an accurate and precise projection. This was their best estimate and they anticipated the agencies could absorb this increase within the existing appropriation. The Director of the Bureau of the Budget did not go beyond that.

Mr. HALL. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of H.R. 337, a bill to increase the maximum rate of per diem allowance for employees of the Government traveling on official business.

Sections 1 and 2 of the bill as amended by the committee would increase the maximum rate of per diem allowance for travel within the contiguous 48 States and the District of Columbia from \$16 to \$22, or a 37½-percent increase, and it would increase the maximum allowance for reimbursement on an actual expense basis for such travel from \$30 to \$35 per day, or 16⅔ percent.

For travel outside the contiguous 48 States and the District of Columbia, the bill would increase the maximum allow-

ance for travel on an actual expense basis from \$10 plus the established maximum per diem rate to \$15 plus the established maximum per diem rate.

Sections 3 and 4, as noted, were stricken from the bill.

Section 3 was stricken because it would amend section 3581(d) of title 39, United States Code, and thus is properly within the jurisdiction of the Post Office and Civil Service Committee.

Section 4 was stricken because it would amend section 867(a)(1) of title 10, United States Code, thus coming properly within the jurisdiction of the Armed Services Committee. Moreover, the provisions of section 4 have already been enacted as a part of Public Law 90-340.

There was complete agreement in the subcommittee with the need to raise allowances to keep pace with rising travel costs, and it was felt that the allowances proposed in sections 1 and 2 of the bill were appropriate.

The percentage increase, 37½ percent, from \$16 to \$22, for unlisted expenses, may seem large, but it must be remembered that 8 years have elapsed since the act was last amended, and the proposed changes do no more than reflect the present costs of travel. As a matter of fact, in the testimony—and this relates to the questions asked by the gentleman from Missouri (Mr. HALL)—in the testimony that was presented to the committee it was noted that in the spring of 1967 a survey was conducted by the Bureau of the Budget in which they requested 18 principal Federal agencies for information on subsistence costs representing over 12,000 employee travel experiences covering almost 64,000 man-days of travel.

An analysis of these data showed 6,171 travel experiences, 51.3 percent of the total, where subsistence costs exceeded \$16 per day, the average of these being \$19.21. On this basis, the Bureau recommended to the Congress a national per diem of \$20 in lieu of subsistence expenses last year. I presume that the \$27 million estimate was based on this 51 percent of maximum as exposed by this survey, and that it was assumed 50 percent of the potential \$54 million would bring it to \$27 million.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Chairman, I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I believe that the gentleman's statement is correct, except for the fact that the Bureau of the Budget estimates that even if the per diem ceiling were raised \$6, as proposed, only 50 percent, or perhaps less, of those employees drawing per diem would get the maximum, and that 50 percent is why they reduced it to \$27 million.

Mr. BROWN of Ohio. Mr. Chairman, I think that is correct. I think there is also the possibility that because this money is going to have to be taken out of presently available funds, there may be some reduction in travel, because of the increased per diem allowance, that might otherwise have been authorized.

Mr. HALL. Mr. Chairman, as long as we have interrupted the gentleman's remarks, will the gentleman yield further?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I just wonder—and as I stated in my first question to the gentleman from New York, I seek equity—I certainly do not want any of our employees paying money out of their pockets for expenses while traveling on official business.

Mr. BROWN of Ohio. That has been done on a number of occasions.

Mr. HALL. I understand that from the committee's well-written report.

Mr. Chairman, first of all, does this apply to members of the executive branch while traveling on official business?

Mr. BROWN of Ohio. It applies to all Government employees who are authorized to travel on official business in this way.

Mr. HALL. It is applicable to the judicial and legislative branches as well as the executive branch?

Mr. BROWN of Ohio. No. My understanding is that it will be probably the executive alone, but perhaps the gentleman from New York can assist me in that regard.

Mr. HALL. Mr. Chairman, that was my understanding in April last year when we passed the previous bill.

Mr. BROWN of Ohio. It also covers the quasi-legislative bodies of the executive agencies.

Mr. HALL. There was for travel an increase in the travel budget of fiscal year 1969 over 1968 a total of \$2,050,000,000. Does the gentleman know what the figure is in the anticipated 1970 budget, and is it provided for?

Mr. BROWN of Ohio. I do not know the figure in the 1970 budget. The anticipation was that this legislation would have no significant effect on the budget figure in the 1970 budget, again for the reason that the agencies would be required to live within the previous request they had made in preparation of that budget, and that only on the occasion of absolutely necessary overspending, where they would be obliged to come back and ask for additional funds, would those funds be considered.

Mr. HALL. Mr. Chairman, if the gentleman will yield for a final question, what I am trying to get at is whether this is a cost of travel of cost of living or inflationary increase in order to keep up with the actual expenditures or whether there is poor travel discipline in the agencies of the executive branch, and did the gentleman's committee go into this problem?

Mr. BROWN of Ohio. The gentleman's committee did not go into this problem as to whether the travel expenditures generally had been authorized with circumspection by the various agencies.

This legislation, however, relates not to whether or not the agencies have been circumspect, but as to whether or not Federal employees traveling on per diem allowances were being compensated for the actual expenses incurred. In other words, the recommendations here relate only to the cost-of-living increase or the cost-of-travel increase, maybe I should say, in the per diem that has occurred since the last authorization by this committee.

Mr. HALL. Of course it follows, therefore, that unless some circumspection or oversight or surveillance is exercised on necessary travel, if we recompense completely for travel, there might not be the restriction on unneeded travel, which would otherwise occur.

I am still not recommending that those who travel in the executive branch on necessary business be restricted or be underpaid; but just as in communications there must be some discipline exercised to see that unnecessary messages are not sent, the same is true with respect to travel in the executive branch. If it gets to be over \$2,050 million as an item in the executive budget per year, it is certainly worth oversight.

Mr. BROWN of Ohio. Since these increased individual allowances will come out of the requested budgets for 1970 rather than creating an increase in those budgets, it is assumed, at least for this first year, that any unnecessary travel will be spotlighted, because the agencies may be hard pressed to fit their travel requirements into the requested budget, in view of the fact that they made their requested budgets on the basis of \$16 per day rather than \$22 per day.

To continue with my statement in explanation of the various aspects of this legislation:

Finally, for travel outside the continental United States, the bill would increase the maximum allowable per day on an actual expense basis from \$10 to \$15 above the normal per diem rate for the locality involved. The Bureau of the Budget had recommended an increase to \$18 a day above the per diem.

Rates set for travel to States and U.S. possessions outside the continental United States are established by the Secretary of Defense, and they are established by the Secretary of State for travel to foreign countries.

While the figures agreed to in committee were not everything the employee representatives asked for, they appear adequate on the basis of statistics furnished the committee. Moreover, the more modest proposals of the committee assure a greater likelihood of congressional approval and hence are more meaningful to the Government employee.

In shaping the bill to its maximum acceptability the committee resisted urgings for an amendment that would ask agencies to encourage their professional employees to travel first on airplanes. The committee was not persuaded by the argument that such a fringe benefit would be helpful in retaining the best people in Government.

The committee rather felt perhaps we should keep some people in Government who are economy minded.

The annual additional cost of official travel to civilian agencies should be somewhat less than the \$27 million estimated by the Bureau of the Budget. The Bureau estimate was based on the figures which it recommended and which were somewhat higher than those agreed upon by the committee. The Bureau expects the executive agencies to absorb the increased costs within available appropriations. In some agencies it will have to come out of substantive programs, but in

some agencies it will come just out of the standard salaries and expenditures type of appropriation.

We feel that the increases are fully justified, if a bit on the conservative side. But in the face of the Nation's economy and the concern for our Federal deficits and our Federal budget this year, such conservatism appears fully justified in the interest of the taxpayers. There will still be cases in high-cost areas where Government employees may have to pay a part of their travel expenses out of their own pockets. This is to be regretted and avoided where possible.

The legislation represents, however, a reasonable compromise between equity and economy.

The CHAIRMAN. The gentleman from Ohio has consumed 12 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. ERLNBORN).

(Mr. ERLNBORN asked and was given permission to revise and extend his remarks.)

Mr. ERLNBORN. Mr. Chairman, I thank the gentleman from Ohio for yielding.

I want to compliment the gentleman from New York, the sponsor of the bill; the gentleman from Minnesota, the chairman of our subcommittee; and the gentleman from Ohio, who is handling the bill for the minority; on what I consider to be a good compromise that has led to the consideration of H.R. 337.

I hope this bill passes in this form, because it will grant more equity to Federal employees required to travel on business.

Mr. Chairman, this does represent a compromise. The gentleman from New York, its sponsor, I am sure, would like to have some higher figures in here. The Bureau of the Budget did recommend some higher figures in some instances. They had \$40 here as actual reimbursement, whereas the committee recommended and the bill contains \$35.

I hope that the other body will act with dispatch this year, in contrast to their lack of action last year, because it is not at all fair to require Federal employees when traveling to cover any part of their expense from their own pockets. They should be reimbursed for their actual expenses.

Testimony before our subcommittee was clear and uncontroverted that increases in travel cost, in hotel rooms and meals, make the present \$16 per day allowance no longer fair. We believe a maximum of \$22 will constitute a fair reimbursement for the cost of per diem travel.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ERLNBORN. I yield to my colleague from Illinois.

Mr. FINDLEY. Mr. Chairman, as a new member of the subcommittee, I would like to express my support for this legislation and also to congratulate the leadership on both sides of the aisle on a job well done.

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in support of H.R. 337, to increase the maximum rate of per diem allowance for employees of the

Government traveling on official business.

Anyone who has traveled within the past few years knows that \$16 per day is woefully inadequate to cover the expenses of food and lodging in most parts of this Nation. I believe an increase to \$22 per day is the minimum we can do to make certain that our Federal employees, traveling on the Nation's business, are not forced to pay from their own wages a sizable part of the expenses they incur.

During the 90th Congress, Mr. Chairman, we acknowledged the fact that \$16 per day was insufficient to cover expenses of travel, and we passed H.R. 13738, which would have increased the amount to \$20 per day. Unfortunately, the Senate failed to act. Two years ago, in considering the legislation, we were told that the Bureau of the Budget had determined after extensive study that the actual average total daily subsistence for travelers in 1967 was \$19.56. Today, 2 years of continuing inflation have again increased the figure, and I am convinced that \$22 per day is at best merely adequate.

Provision also needs to be made for the unusual situation when an employee incurs out-of-pocket expenses greatly in excess of normal per diem, for reimbursement of a greater amount than the \$30 per day present maximum. This amount, too, is raised in H.R. 337 to \$35 per day, and again I believe this is the minimum we can do to assist employees faced with such emergencies.

All in all, Mr. Chairman, I believe this bill is long overdue, and should be acted upon favorably, not only by the members of this House but by our colleagues in the Senate as well, at the earliest practicable date, Mr. Chairman, I urge passage of this legislation.

Mr. BROWN of Ohio. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5702 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$25", by striking out "\$30" and inserting in lieu thereof "\$35", and by striking out "\$10" and inserting in lieu thereof "\$15".

Sec. 2. Section 5703 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$20", by striking out "\$30" and inserting in lieu thereof "\$35", and by striking out "\$10" and inserting in lieu thereof "\$15".

Sec. 3. Section 3581(d) of title 39, United States Code, is amended by striking out "\$9" and inserting in lieu thereof "\$15".

Sec. 4. The last sentence of section 867(a) (1) of title 10, United States Code, is amended to read as follows: "Upon his certificate, each judge, while attending court, or transacting official business outside the District of Columbia, is entitled to be paid all necessary traveling expenses and allowances as provided for each Justice or judge of the United States under section 456 of title 28."

With the following committee amendments:

Page 1, line 4, strike out "\$25" and insert "\$22".

Page 1, line 10, strike out "\$20" and insert "\$22".

Page 2, strike out lines 3 through 12.

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ANNUNZIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes, pursuant to House Resolution 337, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

CANADIAN AND MEXICAN COMMUTERS

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. FEIGHAN. Mr. Speaker, today along with 24 cosponsors, I have introduced H.R. 9505, a bill which amends the Immigration and Nationality Act by adding a new subsection to section 212. The amendment is geared specifically to regulating more effectively the influx into the United States of nationals from Canada and Mexico under the so-called alien commuter system, which is administered by the Immigration and Naturalization Service.

This system—a creature of administrative ingenuity without a statutory base—permits Canadian and Mexican workers who have been lawfully admitted to the United States for permanent residence, and who hold alien registration

receipt cards, commonly known as "green cards," to reside in Canada or Mexico and regularly commute across the border to places of employment in the United States.

Sample counts of commuters crossing the border have been taken periodically. On January 11 and 17, 1966, 54,875 commuters entered the United States, 43,687 of whom entered from Mexico. This number was slightly lower during November and December 1967, when 40,176 commuters from Mexico were identified and their green cards were suitably marked to distinguish them.

Regardless of the exact number involved, however, there is no doubt that the commuter movement adversely affects the wages and working conditions of our own citizens and residents, especially those living in the cities and towns along the Mexican border in Arizona, California, New Mexico, and Texas. The commuter movement from Mexico is a factor contributing to the grinding poverty, high unemployment, and low wages in the border areas.

Much of the border area has relatively large labor surpluses, partly because of the large number of low-skill U.S. citizens and resident aliens residing in the area. The impact of these commuters on the labor market has been enormous.

A report by the social action commission of the Catholic diocese of El Paso indicated that one of the reasons for the low wages in El Paso is—

The Mexican-American must compete with some 25,000 workers from Mexico . . . legal alien commuters, United States citizens, and illegal entrants . . . who daily cross the bridge from Juarez to work in El Paso. Generally speaking, the workers from Mexico find no inconvenience in working for the barest of wages in El Paso.

The employment of commuters in areas of high unemployment is a characteristic of the communities along the border area. Data published by the Texas Employment Commission in 1966 shows that the unemployment rate in the border towns was substantially greater than in the interior cities. Under unanimous consent I shall place a table showing unemployment rates in Texas border cities in the RECORD at the conclusion of my remarks.

The impact of the commuter is particularly acute in agriculture where mechanization is rapidly reducing job opportunities. Due to the high concentration of farms along the border and the fact that commuters often work in the lowest skilled, lowest paid jobs, farmworkers, who are already underpaid, are the first to suffer competition from the commuters.

The bill we have introduced does not end the commuter system, but it does refine its operation. The bill simply provides that each commuter alien must be regularly certified every 6 months by the Department of Labor that his presence in the United States to seek or continue employment does not adversely affect wages or working conditions of U.S. workers similarly employed. In determining whether their employment does adversely affect wages and working conditions of American workers, the standard

91ST CONGRESS
1ST SESSION

H. R. 337

IN THE SENATE OF THE UNITED STATES

MARCH 27, 1969

Read twice and referred to the Committee on Government Operations

AN ACT

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 5702 of title 5, United States Code, is amended
4 by striking out “\$16” and inserting in lieu thereof “\$22”,
5 by striking out “\$30” and inserting in lieu thereof “\$35”,
6 and by striking out “\$10” and inserting in lieu thereof
7 “\$15”.

8 SEC. 2. Section 5703 of title 5, United States Code, is
9 amended by striking out “\$16” and inserting in lieu thereof
10 “\$22”, by striking out “\$30” and inserting in lieu thereof

1 “\$35”, and by striking out “\$10” and inserting in lieu
2 thereof “\$15”.

Passed the House of Representatives March 26, 1969.

Attest:

W. PAT JENNINGS,

Clerk.

AN ACT

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

MARCH 27, 1969

Read twice and referred to the Committee on
Government Operations

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Sept. 24, 1969
For actions of Sept. 23, 1969
91st-1st; No. 153

CONTENTS

Animal research.....50	Government operations.....9	Public works.....15
Appropriations.....11	Housing.....1,32,45	Purchasing.....35
Claims.....24	Information.....37	Recreation.....18,34,43,48
Clean air.....16	Intergovernmental relations	Relocation assistance.....7
Conservation.....34,4411	Revenue sharing
Consumers.....30,49	Lands.....714,25,28,52
Credit unions.....31,38	Legislative program...21,33	Selective service...19,26,46
Domestic policies.....28	Library.....37	Shoe imports.....17
Employment.....41	Manpower training.....28	Sugar.....13
Environmental quality	Mexican-American.....4	Tax reform.....27,52
.....22,37,39	Opinion poll.....36	Trade.....47
Education.....5,53	Per diem.....6	Travel.....6
Expenditures.....12	Personnel.....6	Water and sewer facilities
Family assistance.....28	Pesticides.....151,45
Farm program.....40	Pollution.....34	Water resources.....33
Fees and charges.....43,48	Population.....10,29,39	Wheat.....2
Flood insurance.....1	Poverty.....20	Wilderness.....33
Food stamps.....3	Procurement.....9,23	Wildlife.....51
Golden eagle.....21,42	Property.....8	

HIGHLIGHTS: Senate passed housing bill. House passed environmental quality bill.
Senate passed resolution to continue housing laws for 90-days. Senate debated
food stamp bill. Senate passed bill to increase Tulelake wheat acreage.

SENATE

1. HOUSING. Passed with amendments S. 2864, to amend and extend laws relating to housing and urban development. pp. S11137-65
Agreed to an amendment by Sen. Sparkman (for Mondale) to extend the deadline for grants for basic water and sewer facilities from October 1, 1969, to May 1, 1970. p. S11143
Agreed to an amendment by Sen. Sparkman (for Muskie) providing substitute language for section 303 (utilization of private enterprise in comprehensive planning and public works planning). p. S11146
Agreed to an amendment by Sen. Goodell authorizing an adjustment in mortgage limits if price index for calendar year 1968 was higher or lower by at least 3 percent than for 1965 (instead of 1967) and authorizing an adjustment in basic dollar-per-room limitation for public housing projects if building cost index for calendar year 1968 was higher or lower by at least 3 percent than for 1965 (instead of 1967). pp. S11146-7
Agreed to an amendment by Sens. Cranston and Murphy to extend to victims of mud slides, the protection afforded by the Flood Insurance Act of 1968. pp. S11147-8
Passed without amendment S. J. Res. 152, to extend until Jan. 1, 1970, all Federal housing programs which would otherwise expire Oct. 1, 1969, including rural housing under title V of the Housing Act of 1949. p. S11167
2. WHEAT. Passed as reported S. 858, to amend the Agricultural Adjustment Act of 1938 with respect to wheat (pp. S11166-7). Sen. Mansfield inserted an excerpt from the committee report which states, "This bill would increase wheat acreage allotments in the irrigable portion of the Tululake area of California each year to a total of 12,000 acres.....As amended by the committee amendments, producers would not receive additional marketing certificates as a result of the increase in their allotments; but they would be able to plant their increased allotments without forfeiting all price support and marketing certificates." p. S11166
3. FOOD STAMPS. Began consideration of S. 2547, to extend and revise the food stamp program and to authorize funds therefor through fiscal year 1972 (pp. S11165, S11168-79). Agreed to an amendment by Sen. Aiken to extend the food stamp program to households which might be required to obtain welfare assistance to meet minimum subsistence needs (p. S11173).
4. MEXICAN-AMERICAN. The Government Operations Committee reported with amendments S. 740, to establish the Interagency Committee on Mexican-American Affairs (S. Rept. 91-422). p. S11119
Both Houses
5. EDUCATION. / received from the President the Third Annual Report of the National Advisory Council on Extension and Continuing Education which functions under title I of the Higher Education Act of 1965. pp. S11105, H8262
6. PERSONNEL; TRAVEL. The Government Operations Committee voted to report (but did not actually report) H. R. 337, increasing rate of per diem allowance for Government employees traveling on official business (amended). p. D848
7. LANDS. The Government Operations Committee voted to report (but did not actually report) S.1, proposed Uniform Relocation Assistance and Land Acquisition Policies Act (amended). p. D848

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 6, 1969
For actions of Oct. 3, 1969

91st-1st, No. 161

CONTENTS

Adjournment.....4,20	Fiscal year.....2,34	Poverty.....28
Administration's program.....27	Fisheries.....14	Power.....3
Agricultural commodities.....3,35	Foreign trade.....33	Property.....11
Appropriations.....2	Gardening.....24	Retirement.....7
Atomic energy.....3	Grapes.....23	Scenic rivers.....10
Bread.....6	Guam.....30	Science.....3
Consumers.....26,32	Housing.....16	Seeds.....3
Erosion.....17	Inflation.....21	Selective service.....29
Environment.....15	Legislative program...3,19	Sick leave.....7
Extension work.....30	Peace corps.....8	Social security.....13
Family assistance...12,31	Per diem.....5	Taxation.....9,16
Farm labor.....23	Personnel.....5	Textiles.....33
Farm prices.....26	Pesticides.....14,21,36	Transportation.....25
	Pollution.....3,15,18,22	Travel.....5
	Population.....15	Water.....1,3

HIGHLIGHTS: Senate committee reported bill to increase per diem travel allowance.
Senate passed retirement bill. Several Reps. introduced and Rep. Byrnes discussed
bills to implement the Administration's family assistance program.

HOUSE

1. CLEAN WATER. Rep. Feighan urged the Congress to appropriate the full \$1 billion for pollution control as authorized by the Clean Water Restoration Act of 1966, and he inserted a supporting editorial. pp. H9029-30
2. FISCAL YEAR. Rep. Cederberg deplored the lack of action on the appropriations bills and indicated a more realistic approach to appropriations legislation would be to have the fiscal year conform to the calendar year. pp. H9038-9

3. LEGISLATIVE PROGRAM. Rep. Albert announced the legislative program for the week beginning Oct. 6, as follows: Mon., under suspension of the rules, S. 1836, to amend the Federal Seed Act, and H. R. 9857, to amend the Perishable Agricultural Commodities Act; Tues., National Science Foundation appropriation authorizations; Wed., H. R. 14159, public works for water, pollution control, and power development, and the Atomic Energy Appropriation bill. p. H9024
4. ADJOURNED until Mon., Oct. 6.

SENATE

5. PERSONNEL; TRAVEL. The Government Operations Committee reported with amendments H. R. 337, to increase the maximum rate of per diem allowance for employees of the Government traveling on official business (S. Rept. 91-450). p. S11811
6. BREAD. Passed without amendment H. J. Res. 851, to request the President of the United States to issue a proclamation calling for a "Day of Bread" and "Harvest Festival" (pp. S11802). This measure will now be sent to the President.
7. RETIREMENT. Passed with amendments H. R. 9825, relating to retirement financing and benefits for Government employees and Members of Congress (pp. S11848-58).
Agreed to an amendment by Sen. McGee to strike from the bill section 207, to exclude a maximum of \$3,000 per year of annuity from gross income of annuitants for income tax purposes. p. S11851
Rejected, 8-56, Sen. Williams, Del., amendment to strike the language which would base annuity on the average salary for 3 consecutive years rather than 5, and would allow credit of accumulated sick leave which an employee has at time of retirement. p. S11855
Senate conferees were appointed (p. S11858). House conferees have not been appointed.
S. 2754, a similar bill, was indefinitely postponed. p. S11858
8. PEACE CORPS. Passed with amendment H. R. 11039, to amend further the Peace Corps Act (p. S11858-9). Conferees were appointed. House conferees have not been appointed.
9. TAXATION. Sen. Curtis opposed changing the tax-exempt status of State and municipal bonds in any manner. pp. S11799-801
Several Senators inserted testimony on the tax reform bill. pp. S11819-25, S11843-8, S11838-40
10. SCENIC RIVERS. Received from this Department River Plans for a segment of the Rogue River, Oreg.; the Middle Fork of the Clearwater River including the Lochsa and Selway Rivers, Ida.; and the Middle Fork of the Salmon River. pp. S11810-11
Both Houses received from this Department a River Plan for the Eleven Point River, Mo. pp. S11811, H9041

INCREASING THE MAXIMUM RATE OF PER DIEM ALLOWANCE FOR
EMPLOYEES OF THE GOVERNMENT TRAVELING ON OFFICIAL
BUSINESS, AND FOR OTHER PURPOSES

OCTOBER 3, 1969.—Ordered to be printed

Mr. RIBICOFF, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany H.R. 337]

The Committee on Government Operations, to which was referred the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

On page 1, line 4, strike out "\$22" and insert in lieu thereof "\$25".

On page 1, line 5, strike out "\$35" and insert in lieu thereof "\$40".

On page 1, line 7, strike out "\$15" and insert in lieu thereof "\$18".

On page 1, line 10, strike out "\$22" and insert in lieu thereof "\$25".

On page 2, line 1, strike out "\$35" and insert in lieu thereof "\$40".

On page 2, line 2, strike out "\$15" and insert in lieu thereof "\$18".

On page 2, after line 2, insert the following new section:

"SEC. 3. The seventh paragraph under the heading 'Administrative Provisions' in the Senate section of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out '16' and inserting in lieu thereof '25', and by striking out '30' and inserting in lieu thereof '40'."

PURPOSE

The purpose of this bill is to increase the maximum amounts which may be paid to regular employees of the Federal Government and to experts and consultants employed intermittently, who are traveling on official business, with respect to per diem in lieu of subsistence, and

reimbursement when payment of actual expenses is authorized. It would accomplish this objective by amending existing travel expense legislation so as to reflect more closely the greatly increased costs of official travel at the present time.

As amended by the committee, the bill would amend sections 5702 and 5703 of title 5, United States Code, formerly embodied in the Travel Expense Act of 1949, as amended, by (1) increasing the maximum per diem allowance for travel in continental United States from the present rate of \$16 to \$25; (2) increasing the maximum reimbursement for employees authorized to travel on an actual expense basis within continental United States from \$30 to \$40 per day; and (3) increasing from \$10 to \$18 per day the maximum actual expense reimbursement for foreign travel authorized to be paid in addition to the maximum per diem established for the area involved.

The bill would also amend the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b) by increasing from \$16 to \$25 the maximum per diem allowance which may be paid to Senate Members and employees engaged in official travel; and from \$30 to \$40 per day the maximum amount which such employees may receive when authorized by the Senate Committee on Rules and Administration to be paid on an actual expense basis.

As enacted by the House of Representatives on March 27, 1969, H.R. 337 would have (1) increased the maximum per diem for travel in continental United States from the present rate of \$16 to \$22; (2) increased the maximum allowance for employees authorized to be reimbursed on an actual expense basis for travel in continental United States from \$30 to \$35 per day; and (3) increased from \$10 to \$15 per day the maximum actual expense reimbursement for foreign travel authorized to be paid in addition to the maximum per diem established for the area involved.

The following table reflects (1) allowances now authorized; (2) allowances recommended by the administration; (3) allowances as passed by the House of Representatives; and (4) allowances as reported by this committee:

	Allowances now authorized	Allowances recommended by administration	H.R. 337	
			Allowances passed by House	Allowances reported by committee
Executive branch:				
Per diem.....	\$16	\$22	\$22	\$25
Actual expense.....	30	40	35	40
Foreign travel.....	10	18	15	18
Legislative branch:				
House Members and employees.....	25			25
Senate Members and employees.....	16			40

¹ In addition to the maximum authorized for the country in which travel is performed.

² Per diem.

³ Actual. Only when authorized by the Committee on Rules and Administration.

BACKGROUND

By act of June 3, 1926, the Congress enacted the Subsistence Expense Act of 1926 (44 Stat. 688) which established a maximum per diem allowance in lieu of subsistence of \$6 within the continental limits of the United States and \$7 beyond those limits (44 Stat. 689).

The Economy Act of June 30, 1932 (47 Stat. 405) reduced these amounts to \$5 and \$6 respectively, reflecting a decrease in living costs which appeared to warrant the reduction. By act of January 30, 1942 (56 Stat. 39), the original amounts were restored because of greatly increased living costs resulting from war and defense activities.

The Travel Expense Act of 1949 (63 Stat. 166) repealed the Subsistence Expense Act of 1926, increased the per diem to an amount not to exceed \$9 in continental United States, and authorized payments for travel outside of the United States at rates not in excess of those established by the Director of the Bureau of the Budget. Members of Congress, their offices, and employees of Senate and House committees were excluded from coverage in this act, but were provided for in other legislation.

By act of July 28, 1955 (62 Stat. 393), the maximum per diem was increased to \$12, and a provision was added authorizing department and agency heads to pay actual expenses, not to exceed \$25 per day, where the maximum per diem would be much less than the amount required to cover actual and necessary expenses; the amount was to be fixed in accordance with regulations promulgated by the Director of the Bureau of the Budget. This act also increased from \$10 to \$15 per day the maximum per diem in lieu of subsistence for Government consultants serving without compensation, and not to exceed \$25 per day if actual expenses were authorized.

Public Law 87-139 (Aug. 14, 1961, 75 Stat. 339) (1) increased the maximum per diem for travel inside continental United States from \$12 to \$16 for regular and intermittent Government employees; (2) increased from \$25 to \$30 the maximum which may be reimbursed on an actual expense basis for travel within continental United States under unusual conditions where it is found that the regular \$16 per day is much less than actual expenses; (3) authorized, for foreign travel, actual expense reimbursement up to \$10 per day, in addition to the maximum per diem established for that area; and (4) provided that the per diem allowance for travel outside continental United States may not exceed the rates established by the President of the United States, or his designee, for the locality where the travel is performed and (5) made the increases for per diem and reimbursement for actual expenses applicable to Members and employees of the Senate, by amending the legislation which provides for their travel allowances.

Thereafter, by Executive Order No. 10970, October 27, 1961 (26 F.R. 10149), the President delegated to the Secretary of State the authority to establish maximum rates of per diem allowances for travel in foreign countries.

The House of Representatives has long followed the practice of authorizing travel allowances in accordance with regulations promulgated by its Committee on Administration.

The Senate, however, has provided, in its portion of annual legislative branch appropriation acts, for travel allowances not to exceed those provided for other Federal employees. Thus, prior to the enactment of the Travel Expense Act of 1949, Members and employees of the Senate were reimbursed at rates not in excess of those provided for by the Subsistence Expense Act of 1926, as amended. Following the enactment of the 1949 act, this practice was continued until 1956, when

permanent legislation was enacted in the Legislative Branch Appropriation Act, 1957, relating travel allowances of its Members and employees to the rates provided for by the Travel Expense Act of 1949, as amended (70 Stat. 360, June 27, 1956; 2 U.S.C. 68b).

Accordingly, at the present time, Senate Members and employees are authorized travel allowances in continental United States at the maximum rate of \$16 per day; and, if authorized actual expenses by the Senate Committee on Rules and Administration and pursuant to its regulations, not more than \$30 per day on an actual basis. Members and employees of the House of Representatives have been authorized a travel allowance of \$25 per day, since July 1, 1967.

EXPLANATION OF COMMITTEE ACTION

The committee approved increases for travel in continental United States of \$9 in the maximum per diem, raising it from \$16 to \$25; \$10 per day in maximum reimbursement for actual expenses, raising it from \$30 to \$40; and, for foreign travel, \$8 per day actual expense reimbursement above the maximum per diem authorized for that area, raising it from \$10 to \$18. These increases exceed those approved by the House of Representatives by \$3, \$5, and \$3 per day, respectively; and exceed by \$3 the per diem allowance of \$22 recommended by the Bureau of the Budget, but conform to the administration's recommendations in all other respects.

In approving these increases, the committee took into consideration the fact that (1) there has been no general increase in travel allowances since 1961; (2) hotel and motel rates, the cost of food away from home, sales taxes on hotel and motel bills and on restaurant meals, and miscellaneous expenses related to official travel have increased appreciably since that time; (3) a 1967 Bureau of the Budget survey revealed that more than half of all Federal employees surveyed were unable to cover necessary expenses on official travel because of the inadequacy of travel allowances; (4) the increased rates represent *maximum* amounts which may be paid by departments and agencies, and are not to be considered as amounts which must or should be paid for all travel; and (5) Federal employees engaged in official travel on behalf of the U.S. Government should not have to suffer financial losses.

The per diem rate of \$22, recommended by the Bureau of the Budget, was based upon a survey conducted in the spring of 1967 which included detailed reports of employee travel from 18 principal Federal agencies, representing 12,025 employee travel experiences covering 63,710 man-days of travel, out of a total estimated 9 million man-days of travel annually throughout the Federal Government. This survey revealed an average cost of \$19.21 for lodging and food. Additional information furnished to the Bureau of the Budget by the Bureau of Census and by accounting firms which specialize in data analysis for national hotel and motel associations resulted in a total subsistence cost of \$19.56, which included an additional 10 percent for authorized miscellaneous items such as sales taxes, tips, laundry, etc. In arriving at the maximum figure of \$22, the Bureau added an additional 10 percent to allow for general price advances, resulting in \$21.52.

Although this figure may have been valid through 1968, it does not, in the committee's judgment, reflect the general rise in the Consumer Price Index, compiled by the Bureau of Labor Statistics, of 5.6 percent between August 1968 and August 1969. Thus, if this increase is applied to the \$21.52 figure developed by the Bureau of the Budget, average travel costs would total \$22.72.

In an effort to develop 1969 subsistence costs, the committee examined current statistical information supplied by the Bureau of Labor Statistics and found that, although the average rise in the Consumer Price Index between August 1968 and August 1969 for all items amounted to 5.6 percent, average hotel and motel rates increased 7.8 percent in that period, and restaurant prices rose 6.3 percent, or an average total of slightly in excess of 7 percent. Applying this percentage figure to the \$21.52 arrived at by the Bureau of the Budget would amount to \$23.03. In addition, the Bureau of Labor Statistics furnished the committee with information showing that, as of August 1969, average daily costs of hotel and motel rooms amounted to \$18.13 in the 12 largest metropolitan areas, and \$14.43 in smaller cities. Since these rates reflect double occupancy, the Bureau of Labor Statistics agreed that a reduction of \$2 in each figure would reflect average daily rates of \$16.13 and \$12.43, respectively, or an average of \$14.28. Using an average daily rate of \$8 for restaurant food, total costs for lodging and food would be \$24.13 and \$20.43, respectively, or an average of \$22.28. Following the method used by the Bureau of the Budget, the committee then added an additional 10 percent to reflect miscellaneous allowable items, such as sales taxes, tips, and so forth, and arrived at total costs of \$26.54 and \$22.47, respectively, or an average cost of \$24.50.

As a check against these figures, the committee obtained from the American Hotel and Motel Association information compiled by accounting firms employed by the association, relative to travel costs for 1968, the latest year for which they were available. An analysis of average hotel and motel rates for 14 major cities and 98 smaller cities reflected an average daily rate of \$12.30, and food costs, based upon a survey of 400 hotels throughout the Nation, reflected a daily average of \$9.24. Adding to these figures the 7.8 percent increase for hotel and motel rates and the average restaurant price increase of 6.3 percent for 1969, reflected in the Consumer Price Index compiled by the Bureau of Labor Statistics, the committee arrived at a total of \$13.26 for lodging and \$9.82 for food, or a grand total for lodging and food of \$23.08 per day. To this was added the usual 10 percent for allowable miscellaneous expenses, bringing the total daily average cost for lodging and food to \$25.38.

Finally, a sampling of the experience of the committee's own staff, relative to travel costs, reflected an average total of approximately \$25.50 per day.

The Bureau of the Budget advises that the increase in maximum per diem rates to \$22, which was recommended by the administration, would add approximately \$27 million to the annual cost to civilian agencies for official travel within the contiguous 48 States and the District of Columbia; and that the increase to \$25, approved by the committee, would add an additional \$13 million, or a total annual cost of \$40 million.

As previously noted, the committee amended the statute which governs travel allowances for Members and employees of the Senate by increasing from \$16 to \$25 the maximum per diem, and from \$30 to \$40 per day the maximum amount which they may receive when authorized reimbursement on an actual expense basis. The increase in maximum per diem will simply provide Senators and Senate employees with the same travel allowance provided for other Federal employees on official travel, and the same allowance enjoyed by Members and employees of the House of Representatives since July 1, 1967. It should be noted that this action is fully supported by Senator B. Everett Jordan, chairman of the Committee on Rules and Administration, in a letter urging favorable committee consideration of increased per diem allowances for Federal employees.

The increase in maximum actual expenses is believed necessary to cover those relatively rare situations in which Senate Members and employees are required to travel on official business in areas where travel costs are so high that the maximum per diem is palpably insufficient to reimburse their actual expenses. In this connection, it should be noted that existing law permits payment of actual expenses only if approved in advance by the Committee on Rules and Administration, in accordance with its prescribed rules and regulations. Furthermore, during the past 13 months, this authority has been granted on only six occasions, and utilized only five times.

CONCLUSIONS

The committee has been advised by the Bureau of the Budget that official Government travel by Federal employees totals an estimated 9 million man-days each year. Although official travel is necessary to the conduct of Government business, it is exceedingly costly, both to the traveler and the Government. In view of strong pressures for economy and the reduction of Government expenditures, the committee urges that a determined and concerted effort be made by all Federal departments and agencies to limit official travel to the minimum consistent with the effective and efficient conduct of Government business. The committee desires to make it clear, however, that when Federal employees travel on official Government business, they should not be either expected or required to suffer personal financial losses.

We are in a period of high prices and rising costs which has been recognized by the Congress in the form of a series of pay raises designed to achieve comparability with private enterprise and maintain the integrity of Federal employees. Thus, although necessary steps have been taken to enable Government employees to meet their personal ever-increasing costs of living, nothing has been done, since 1961, to enable the Government to meet its obligations to those of its employees who are required to travel in the course of the transaction of the Government's business.

Following a careful analysis of available statistics relative to travel costs, the committee has concluded that a maximum per diem of \$25 is fair and equitable under current economic conditions in the United States. In this connection, the committee calls attention to the fact that a statutory device provided for by the Congress to assist Federal

employees in defraying necessary travel expenses has been virtually ignored. Since 1955, the Congress has authorized department and agency heads to reimburse Federal employees, under regulations prescribed by the Director of the Bureau of the Budget, for actual and necessary expenses, not to exceed a specified amount, "when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment." Originally established at \$25 per day, and increased to \$30, in 1961, the maximum allowance for actual expenses was increased by the committee to \$40 per day, on the recommendation of the Bureau of the Budget. Despite the fact that this authority has existed for 14 years, and annual travel involves some 9 million man-days, the committee has learned that only about \$150,000 is approved for this purpose annually.

The committee firmly believes that the increased use of authority to pay reimbursement for actual expenses in proper cases would result in the correction of existing inequities. It appears that the paperwork and administrative details now required for the authorization of actual expenses have played a role in discouraging its use. Accordingly, the committee urges the Bureau of the Budget and agency heads to make use of this method of reimbursement for actual travel expenses, when needed, subject, of course, to the exercise of prudence and good judgment.

The committee again desires to emphasize the fact that the increased travel allowances which are provided for by H.R. 337, as amended, are *maximum* rates, to be used by agency heads with care and discretion. Although every effort must be made to insure fair and equitable handling of travel allowances, agency heads are expected to exercise vigilance in guarding against abuses.

No per diem is included in this bill for Senators' staff members who are required to return to their respective States and remain there on official business. Per diem in lieu of subsistence is normally paid to Government employees when away from home on official business. However, when a Member of Congress returns to his district or State and directs a member of his staff to accompany him, or return to his State office for official business, no per diem is paid to such employees from the time of arrival until his departure. In view of the financial strain which is placed on such employees who are required to support their family in Washington and maintain temporary residence away from home, some reimbursement, or tax credit should be allowed for such expenses.

The committee does not favor payment of per diem for all employees who may be needed in each State for the conduct of congressional business, but it would appear that some credit or tax deduction should be permitted for part or all of such expenses.

Legislative jurisdiction over this matter is vested in another committee of the Senate and for this reason no amendment was proposed to H.R. 337. However, the committee strongly recommends that the appropriate committee consider providing some tax or other relief to congressional employees who are required to remain in their Members' State or district at their own expense for the conduct of official business.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be changed enclosed in black brackets, new matter in *italic*, existing law in which no change is proposed to be made in roman):

SECTIONS 5702 AND 5703 OF TITLE 5 UNITED STATES CODE

§ 5702. Per diem; employees traveling on official business.

(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance prescribed by the agency concerned. For travel inside the continental United States, the per diem allowance may not exceed the rate of **[\$16]** \$25. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States, for the locality where the travel is performed.

(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct is entitled to the per diem allowances, and transportation expenses to his designated post of duty.

(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) **[\$30]** \$40 for each day in a travel status inside the continental United States; or

(2) the maximum per diem allowance plus **[\$10]** \$18 for each day in a travel status outside the continental United States.

(d) This section does not apply to a justice or judge except to the extent provided by section 456 of title 28.

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay.

(a) For the purpose of this section, “appropriation” includes funds made available by statute under section 849 of title 31.

(b) An individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis may be allowed travel expenses under this subchapter while away from his home or regular place of business, including a per diem allowance under this subchapter while at his place of employment.

(c) An individual serving without pay or at \$1 a year may be allowed transportation expenses under this subchapter and a per diem allowance under this section while en route and at his place of service

or employment away from his home or regular place of business. Unless a higher rate is named in an appropriation or other statute, the per diem allowance may not exceed—

(1) the rate of **[\$16]** \$25 for travel inside the continental United States; and

(2) the rates established under section 5702(a) of this title for travel outside the continental United States.

(d) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an individual to whom this section applies may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) **[\$30]** \$40 for each day in a travel status inside the continental United States; or

(2) the maximum per diem, allowance plus **[\$10]** \$18 for each day in a travel status outside the continental United States.

Seventh Paragraph under heading "Administrative Provisions" in Senate section of Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b):

No part of the foregoing appropriations made under the heading "Contingent Expenses of the Senate" hereafter may be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949, as amended) at rates in excess of **[\$16]** \$25 per day; except that (1) higher rates may be established by the Committee on Rules and Administration for travel beyond the limits of the continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration of the Senate, reimbursement for such expenses may be made on an actual expense basis of not to exceed **[\$30]** \$40 per day in the case of travel within the continental limits of the United States.



Calendar No. 446

91ST CONGRESS
1ST SESSION

H. R. 337

[Report No. 91-450]

IN THE SENATE OF THE UNITED STATES

MARCH 27, 1969

Read twice and referred to the Committee on Government Operations

OCTOBER 3, 1969

Reported by Mr. RIBICOFF, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 5702 of title 5, United States Code, is amended
4 by striking out “\$16” and inserting in lieu thereof ~~“\$22”~~
5 “\$25”, by striking out “\$30” and inserting in lieu thereof
6 ~~“\$35”~~ “\$40”, and by striking out “\$10” and inserting in lieu
7 thereof ~~“\$15”~~ “\$18”.

8 SEC. 2. Section 5703 of title 5, United States Code, is
9 amended by striking out “\$16” and inserting in lieu thereof
10 ~~“\$22”~~ “\$25”, by striking out “\$30” and inserting in lieu

1 thereof "~~\$35~~" "\$40", and by striking out "\$10" and insert-
2 ing in lieu thereof "~~\$15~~" "\$18".

3 *SEC. 3. The seventh paragraph under the heading "Ad-*
4 *ministrative Provisions" in the Senate section of the Legisla-*
5 *tive Branch Appropriation Act, 1957 (2 U.S.C. 68b), is*
6 *amended by striking out "\$16" and inserting in lieu thereof*
7 *"\$25", and by striking out "\$30", and inserting in lieu*
8 *thereof "\$40".*

Passed the House of Representatives March 26, 1969.

Attest:

W. PAT JENNINGS,

Clerk.

91ST CONGRESS
1ST SESSION

H. R. 337

[Report No. 91-450]

AN ACT

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

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DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 9, 1969
For actions of Oct. 8, 1969
91st - 1st, No. 164

CONTENTS

Agricultural appropriations.....14	Food stamps.....13	Public Law 480.....13
Agricultural statistics...4	Fire hazards.....28	Public works.....12
Appropriations.....11,12,14	Fishing industry.....19	Recreation.....33
Atomic energy.....12	Forestry.....23,26	Sewage treatment.....20
Beef.....4	Health.....9,31	Social security.....16
Clean water.....20	Legislative program.....11	Tax reform.....8
Consumers.....10	Organization.....31	Timber.....26
Education.....7	Peace Corps.....15	Tobacco.....9,28
Environmental quality.....2,17,20	Per diem.....1	Trade.....4,29
Everglades park.....5	Pesticides.....6,22	Transportation.....25
Farm bill.....18	Pollution.....17	Travel.....1
Farm Bureau.....24	Population.....21,30	Water pollution.....3
Farm exports.....4	Potatoes.....11	Wine.....13
	Poverty program.....11	Youth Conservation Corps..27
	Price supports.....32	

HIGHLIGHTS: Senate passed per diem bill. Senate conferees were appointed on environmental quality bill. Senate passed water quality bill. House committee ordered reported measure to increase food stamp authorization.

SENATE

PER DIEM; TRAVEL. Passed as reported H. R. 337, to increase the maximum rate of per diem allowance for employees traveling on official business. p. S12100

2. ENVIRONMENTAL QUALITY. Disagreed to the House amendments to S. 1075, the environmental quality bill. Conferees were appointed. pp. S12124-47

3. WATER POLLUTION. Passed with amendment, 86-0, H. R. 4148 (after substituting the amended language of S. 7, a companion bill), the proposed Water Quality Improvement Act, 1969 (pp. S12099, S12104-23, S12147-60). Conferees were appointed (p. S12158). S. 7, the companion bill, was indefinitely postponed (p. S12157).
4. FARM EXPORTS; BEEF. Sen. Sparkman urged favorable consideration of proposed legislation to call an annual conference of the U. S. beef industry to assess world trade trends; and for a concerted effort to refine agricultural statistics so that Congress would be in a better position to assess judgments on agricultural export and import trade policies. p. S12197
Sen. Hansen said he does not believe the prices of meat, particularly beef, have risen disproportionately with other basic foods. p. S12197
5. EVERGLADES PARK. Concurred in the House amendment to S. 2564, to authorize acquisition of additional lands for the park. This bill will now be sent to the President. p. S12163
6. PESTICIDES. Sen. Nelson discussed and inserted a magazine article placing emphasis on use of alternative, less dangerous pesticides. p. S12180
7. EDUCATION. Sen. Murphy inserted an endorsement of his proposed Urban and Rural Education Act. pp. S12180-1
8. TAX REFORM. Sens. Long and Murphy inserted statements made during hearings on the tax reform bill summarizing some of the provisions of the proposed legislation. pp. S12181, S12194
9. TOBACCO; HEALTH. Sen. Cook discussed and inserted articles on the pros and cons of lung cancer and smoking. pp. S12185-6
10. CONSUMERS. At Sen. Hart's request, the text of S. 2959, his bill to establish an Independent Consumer Council was printed in the Record. pp. S12186-8
11. LEGISLATIVE PROGRAM. Sen. Mansfield said he hopes the potato bills can be taken up Friday, and that next week the poverty program bill and the legislative appropriation bill may be taken up. p. S12162

HOUSE

12. APPROPRIATIONS. Passed, 396-3 without amendment H. R. 14159, the Public Works and Atomic Energy appropriations bill, 1970 (pp. H9224-95).
Rejected amendment that would increase funding for construction grants for waste treatment works by \$400 million.

THE NOMINATION OF JUDGE HAYNSWORTH TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT

Mrs. SMITH of Maine. Mr. President, a week ago on September 30, 1969, I informed the President of the United States that I did not feel that I could support the Haynsworth nomination and that I hoped Judge Haynsworth would request that the nomination be withdrawn.

I wrote the President:

Lest my silence at the Leadership meeting this morning be misleading, I feel obliged to tell you that I do not feel that I can support the Haynsworth nomination. I felt very strongly against the Fortas nomination for reasons very similar to those on the Haynsworth nomination. I do not believe that I can adopt a double standard which would be applied against his Democratic predecessor and for nominee Haynsworth because he was nominated by a Republican President.

I feel that there is much more opposition to the Haynsworth nomination among Republican Senators than is generally realized.

I would hope that Judge Haynsworth would himself resolve the situation which has become embarrassing to many Republican Senators by asking you to withdraw his name from nomination.

Mr. President, I feel that any nominee for the Supreme Court of the United States—and most particularly for the seat vacated by the resignation of Mr. Fortas under the conditions under which he resigned—should be free from suspicion.

However unfair and however unwarranted, Judge Haynsworth is not free from suspicion. There is considerable public doubt about him.

Next to ending the war in Vietnam, one of the most important objectives of the administration should be to reestablish confidence in the Supreme Court and the judiciary.

The Haynsworth nomination will not help restore or reestablish such desperately needed confidence in the Supreme Court and the judiciary.

To the contrary, it will further damage the public confidence in the Court.

Perhaps it is not valid to observe that how things look sometimes seems more important than how things really are—that appearance seems more important than fact.

But of one thing I am sure—that a judge cannot allow even the appearance of impropriety. The very canons of judicial ethics demand that a judge avoid impropriety and the appearance of impropriety.

Confirmation of Judge Haynsworth would at best be a pyrrhic victory for the President.

These observations are not original with me nor exclusive with me.

They have clearly and pointedly been made to the President.

No one of us is perfect—none of us is without our own errors.

But I do not believe that the recognition of this should cause us to falter in striving for as much perfection as possible on a Supreme Court nomination.

Last year at this time when I was in the hospital, in response to the request

of Senator GRIFFIN, I authorized pairing me against the Fortas nomination.

Now a year later I agree with Senator BAYH's opposition to the Haynsworth nomination for the same basic and fundamental reason that I agreed with Senator GRIFFIN's opposition to the Fortas nomination a year ago.

I do not believe in a double standard. Nor do I see a political justification for it or placing party loyalty ahead of conscience.

I am not a lawyer and I may very well be naive. But it has been my concept that the role, mission, duty, and work of a judge or Justice is to judge and to judge as wisely as possible.

The relation of the mere words of "judge" and "judgment" make crystal clear the imposition of exercising impeccable judgment on any judge not only with respect to his official duty and work on the bench but as well to his unofficial life, including his financial transactions.

I think that a Supreme Court Justice should be a person of impeccable judgment. Yet, Judge Haynsworth has admitted to some faulty judgment in his financial affairs as related to his judicial status.

To me, his admitted faulty judgment alone is sufficient for me to withhold my approval of his sitting on the highest court in the land where we must always strive for impeccable judgment.

Let us not forget that Justice Fortas was forced to resign because of his outside business transactions.

And in remembering that so recent matter, let us recognize that the amount of evidence that should be necessary to justify refusing a confirmation is much less than the amount properly required to justify demanding his resignation after one has been confirmed and served.

Mr. MANSFIELD. Mr. President, I can only say that, as always, the distinguished senior Senator from Maine has expressed her conscience as she sees things. No one is in doubt as to what her position is, and I commend her for the consistent course she has taken down through the years in carrying out her responsibilities—and they are great—and her duties as a Senator of the United States.

Mrs. SMITH of Maine. Mr. President, I thank the majority leader from the bottom of my heart for his kind remarks. He has always been so very generous.

WATER QUALITY IMPROVEMENT ACT OF 1969

The PRESIDING OFFICER (Mr. ALLEN in the chair). Under the order of the Senate, the Chair lays before the Senate the unfinished business, which will be stated.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 7) to amend the Federal Water Pollution Control Act, as amended, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the commit-

tee amendment in the nature of a substitute, as amended.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KENNEDY. Mr. President, I understood the Committee on the Judiciary had scheduled a meeting earlier today. A number of members on that committee from this side of the aisle were prepared to meet and consider what I think all of us realize is one of the most important measures to come before the Committee on the Judiciary, the nomination of Judge Haynsworth. I think it is extremely appropriate that these meetings take place and proceed in an orderly and responsible way, that questions which are raised be raised within that committee, and if additional time is necessary, the committee should make that determination.

I think it is extremely important for Members of this body to realize that the postponement or delay of that meeting was not at the suggestion of Members from this side of the aisle. When we hear so much talk and read so much about delays of action by Congress, it is appropriate to mention at this time that delay in the committee meeting this morning was not at the suggestion of Members from this side of the aisle.

I am hopeful that meetings will take place expeditiously and that we can get on with the business of the nomination.

Mr. MANSFIELD. Mr. President, has the unanimous-consent request been agreed to?

The PRESIDING OFFICER. Yes.

Mr. MANSFIELD. Mr. President, for the information of the Senate I have dispatched a telegram to all Democratic members of the Committee on the Judiciary asking them to be present at 10 o'clock tomorrow morning when the next meeting of the committee will be held. It is my understanding that the distinguished minority leader, the Senator from Pennsylvania (Mr. SCOTT), will make the same request of the Republican membership. It is our hope that this matter will be faced up to and disposed of one way or another, so that the Senate can fulfill its responsibility and get on with the various matters of business which are at hand.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider executive business.

AMBASSADORS

The assistant legislative clerk proceeded to read sundry nominations of Ambassadors.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of Ambassadors be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations of Ambassadors are considered and confirmed en bloc.

DISTRICT OF COLUMBIA COUNCIL

The assistant legislative clerk read the nomination of Henry S. Robinson, Jr., of the District of Columbia, to be a member of the District of Columbia Council.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

INCREASE IN THE MAXIMUM RATE OF PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES TRAVELING ON OFFICIAL BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 446, H.R. 337.

The PRESIDING OFFICER. The bill will be stated for the information of the Senate.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations, with amendments, on page 1, line 4, after the word "thereof", strike out "\$22" and insert "\$25"; at the beginning of line 6, strike out "\$35" and insert "\$40"; in line 7, after the word "thereof", strike out "\$15" and insert "\$18"; at the beginning of line 10, strike out "22" and insert "25"; on page 2, line 1, after the word "thereof", strike out "\$35" and insert "\$40"; in line 2, after the word "thereof", strike out "\$15" and insert "\$18"; and after line 2, insert a new section, as follows:

SEC. 3. The seventh paragraph under the heading "Administrative Provisions" in the

Senate section of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "\$16" and inserting in lieu thereof "\$25"; and by striking out "\$30", and inserting in lieu thereof "\$40".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HARRIS subsequently said: Mr. President, I am happy to note that the Senate has passed today, unanimously, H.R. 337, which provides for an increase in the maximum rate of per diem allowance for employees of the Federal Government traveling on official business. The Government Operations Committee, of which I am a member, amended H.R. 337 to increase the maximum rate of per diem allowance from \$22 per day as passed by the House to \$25 as proposed in my bill on this same subject, S. 820. This increase, of course, is long overdue, because it is not possible at today's prices for Government employees traveling on official business to meet their expenses at the present figure of \$16 per diem. I feel that the increase to a maximum of \$25 per day as recommended by the Senate Committee is fully justifiable, and I certainly hope that the House will accept H.R. 337 as enacted by the Senate. Thank you.

AMENDMENT OF SECURITIES AND EXCHANGE ACT OF 1934

Mr. SPARKMAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 112.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the resolution (S.J. Res. 112) entitled "Joint resolution to amend section 19(e) of the Securities Exchange Act of 1934", which were to strike out all after the resolving clause, and insert:

That section 19(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78s(e)) is amended—

(1) by striking out in paragraph (1) "September 1, 1969" and inserting in lieu thereof "September 1, 1970"; and

(2) by striking out in paragraph (4) "\$875,000" and inserting in lieu thereof "\$945,000".

And to strike out the preamble, and insert:

Whereas additional time is required for the Securities and Exchange Commission to complete its institutional investors study, and file a report with respect thereto, pursuant to section 19(e) of the Securities Exchange Act of 1934: Now, therefore, be it

Mr. SPARKMAN. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

At 12:22 a message from the House of Representatives by Mr. Bartlett on enrollment of S. 9825, to which the Speaker has affixed his signature.

S. 3003—INTRODUCTION OF A BILL PROVIDING MORE EFFECTIVE CONTROL OVER EXPENDITURE OF FUNDS BY DOD AND NASA FOR INDEPENDENT RESEARCH AND DEVELOPMENT

Mr. PROXMIRE. Mr. President, several weeks ago, during the course of the debate on the military authorization bill, we discovered a relatively unknown expense item called independent research and development. At the time very little was known about this special type of research and development. We assumed that research and development was performed under Government contracts. After looking into this independent research and development some truly amazing facts concerning its funding and regulation were discovered.

What we found was both surprising and shocking. First of all, the Government neither contracts for, nor directs independent research and development. The contractor simply decides to start work on a project. He decides what he will do and how much money should be spent. But the most shocking fact is that, after all this, the Defense Department pays for the work. In fact, last year the Department of Defense paid over \$685 million for such work. The Department has little or no idea what it is paying for until the work is completed. It has no assurance that the work will be of any value to the Defense Department or the Government as a whole. And, yet, the Defense Department pays for the work.

What is even more astonishing is that the Defense Department does not even require that the work be related to its interests. It actually encourages contractors to do work which is of little value to the Defense Department's requirements or those of the Government in general. Defense Procurement Circular No. 7 specifically states that the Armed Services Procurement Regulation requirements do not mean that independent research and development projects must directly benefit, or be related specifically to products for which the Government has contracts.

But there is more. A most frightening new development is the proposed amendment to the Armed Services Procurement Regulation under which it appears that the Government will give up what little control it now exercises over independent research and development. It would throw in the towel completely. Under the proposed revision a straight formula for the payment of I.R. & D. costs would be substituted for the present policy of limited acceptance of such costs. What is more, the revision would eliminate any existing requirements that I.R. & D. projects bear any relationship to Government product lines.

Upon discovering these astonishing facts about independent research and development—I.R. & D.—my first question was, just what is independent re-

Oct. 30, 1969

HOUSE

1. PER DIEM. Concurred in the Senate amendments to H. R. 337, to increase per diem allowances for federal employees. This bill will now be sent to the President. pp. H10298-300.
2. DRAFT REFORM. Passed with amendments, 382 to 13, H. R. 14001, the draft reform bill. A motion to recommit the bill was rejected. pp. H10301-10307, 10313-42
3. SCIENCE; RESEARCH. Agreed to conference report on S. 1857, to authorize appropriations for the National Science Foundation. pp. H10297-8
Conferees were appointed on H. R. 11271, the NASA authorization bill (p. H10295). **Senate conferees have been appointed.**
4. WATERSHED PROJECTS. The "Daily Digest" states the Agriculture Committee approved several watershed projects. p. D1004
5. FOREIGN ASSISTANCE. The Foreign Affairs Committee ordered favorably reported (but did not actually report) H. R. 14580, the foreign aid bill. p. D1005
6. WILDERNESS; FORESTRY. Rep. Saylor criticized the actions of the Department and the Park Service with respect to the national wilderness preservation system and inserted an article supporting his contentions. pp. H10373-5
7. WELFARE PROGRAMS. Rep. Brown commended the Administration's welfare proposals and urged Congress to act on these matters. p. H10296
8. POSTAL REFORM. Rep. Quie deplored the lack of Congressional action on the Administration's postal reform bill. pp. H10300-1
9. TAXATION. Rep. Edwards indicated the Administration's revenue sharing proposals would restore to the States their proper rights and roles in the federal system. p. H10313
Rep. Wold criticized that section of the House-passed tax reform bill dealing with municipal bonds. p. H10363
0. ENVIRONMENT. Rep. Saylor inserted an article "Law and Environment" - Part VI. pp. H10371-2
1. RURAL AMERICA. Rep. Sebelius spoke on the desirable impact on the economy of a rural area in Kansas of having a beef packing plant located in that community, and cited it as a good example of self-help. pp. 10362-3

SENATE

2. PROCUREMENT. Conferees were appointed on H. R. 474, to establish a Commission on Government Procurement (p. S13464). House conferees have been appointed.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 31, 1969
For actions of Oct. 30, 1969
91st-1st No. 177

CONTENTS

Acreage limitation.....15	Foreign assistance.....5	Procurement.....1
Adjournment.....21	Forestry.....6,39	Reclamation.....(
Appropriations.....26,39	Forest Service.....39	Research.....
Claims.....16	Horses.....35	Revenue sharing.....
Consumer protection....13,31	Housing.....30	Rural America.....1
Cooperatives.....24	Lands.....15	Salaries.....2
Draft reform.....2	Legislative record.....19	Science.....
Drugs.....38	Opinion poll.....25	Social security.....3
Economics.....11,23	Peace corps.....40	Taxation.....9,1
Education.....26	Per diem.....1	Youth corps.....2
Environment.....10,20	Personnel.....1,22	Watershed projects.....
Export control.....14	Pesticides.....20	Welfare programs.....
Fiscal year.....27,32	Pollution.....28,36	Wilderness.....
Flood control.....33	Postal reform.....8	Wildlife.....17,

HIGHLIGHTS: House concurred in Senate amendment to per diem bill. Both Houses received President's message on Consumer Affairs and Protection. House committee voted to report foreign aid authorization bill.

ute and to revise and extend his remarks.)

Mr. KYL. Mr. Speaker, the Nation is alarmed by the increased abuse of dangerous drugs and narcotics and the criminal violence associated with such abuse. Without doubt drug associated crimes will become the Nation's No. 1 internal problem unless the abuse of drugs is effectively curtailed. Passage of the "Controlled Dangerous Substance Act of 1969" will help in this effort by providing Federal law-enforcement personnel with more positive tools to cope with the problem.

One such tool is a "no knock" provision which will allow Federal agents to obtain search warrants designating that they need not announce their authority and purpose to search if there is probable cause to believe that the agents' lives would be in danger or that there will be a quick destruction of evidence. In addition, the act will permit the use of Federal search warrants for drug-related offenses at any time of the day or night under limited conditions.

Several Supreme Court decisions have greatly restricted inspection of business premises and books and records for possible law violations. A provision in the act of vital importance to the Bureau of Narcotics and Dangerous Drugs because it is involved in the regulation of drug manufacturing, will give Federal agents access to these books and records by use of inspection warrants.

The act also authorizes Federal drug agents to grant immunity from possible criminal prosecution for testimony and information relating to drug trafficking. This provision is essential if we are to break up major peddling and smuggling operations.

Finally, the act permits prosecution of persons who attempt or conspire to commit any violation of the Federal drug laws.

Mr. Speaker, passage of this far-reaching legislation is essential if we are to curb drug abuse in our Nation.

CONFERENCE REPORT ON S. 1857, NATIONAL SCIENCE FOUNDATION ACT AMENDMENTS OF 1969

Mr. MILLER of California. Mr. Speaker, I call up the conference report on the bill (S. 1857) to authorize appropriations for activities of the National Science Foundation pursuant to Public Law 81-507, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 27, 1969.)

Mr. MILLER of California (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, memory does not serve me too well this morning. Is this the conference report on the authorization bill wherein the appropriation was passed prior to the authorization bill under a rule waiving points of order?

Mr. MILLER of California. If the gentleman will yield, that is correct.

Mr. GROSS. The figure approved by the House was some \$70 million above the appropriation that had already been passed?

Mr. MILLER of California. No. The Senate increased the request to \$487,150,000. The House approved \$474,305,000. The result in the conference was a total amount of appropriations to be authorized of \$477,605,000 or \$3 million higher than the appropriation and some \$10 million less than the Senate.

Mr. GROSS. Three million dollars higher than the appropriation?

Mr. MILLER of California. That is right. But \$10 million less than the Senate.

Mr. GROSS. Has there been a conference on the appropriation bill?

Mr. MILLER of California. I do not know that.

Mr. GROSS. I only inquire because of the unusual nature of the procedure of having passed an appropriation bill and then coming along with the authorization bill which was substantially higher than the appropriation. Of course, the other body, in order to take up the slack, apparently increased it to conform to the House authorization bill.

Mr. MILLER of California. They were higher than the House authorization bill by \$12 million.

Mr. GROSS. But there is no conference on the appropriation bill.

Mr. MILLER of California. As far as I know, there is not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, I rise in support of the conference report on the bill (S. 1857) to authorize appropriations for activities of the National Science Foundation and for other purposes for fiscal year 1970.

The managers on the part of the House met in conference with those of the Senate last Thursday, October 23, 1969. The results of that conference were, I believe, eminently reasonable and in keeping with the sentiment of the House, as previously evidenced by the passage of the authorization bill for the Foundation on October 7, 1969.

I think it was an admirable job on the part of the House conferees, and I want to compliment them for their efforts.

Before I describe in detail the results of that conference, I should point out that the total amount of appropriations to be authorized was adjusted upward from our original House-passed authorization by less than 1 percent.

The original difference between the Senate and House before conference was \$12.8 million. Thus, I think we have arrived at a conference compromise that is both worthy of full support, responsive

to the House mandate, and adequate for the Foundation for fiscal 1970.

Let me now briefly describe the major differences between the House and Senate, and describe the final conference results.

For fiscal year 1970 the NSF requested authorization in the amount of \$487 million, exclusive of \$10 million for the sea grant program and of \$3 million to be made available in excess foreign currencies.

The Senate increased this request to \$487,150,000.

The total appropriations authorized by the House were \$474,305,000. This represented a decrease from the Senate bill of \$12,845,000. As a result of the conference, the total amount of appropriations to be authorized was adjusted to \$477,605,000 or an increase of only \$3.3 million.

The \$3.3 million restoration was made in three areas as follows:

First. A sum of \$2 million to permit the construction of an oceanographic research vessel was restored, as originally requested by the foundation. This item had been deferred by the House on the basis of long-range scheduling and pending completion of further study. Evidence adduced by the Senate convinced the conferees that conditions do not now warrant delay of the ship construction.

Second. A sum of \$300,000 to permit the acquisition of a small research aircraft by the National Center for Atmospheric Research at Boulder, Colo., was restored as originally requested by NSF. This plane is to replace a similar aircraft lost in an accident over Lake Superior in 1968.

Third. A sum of \$1 million, part of a \$3 million bloc of unobligated appropriations carryover from fiscal year 1969 which the House had deleted, was restored by the conference. House conferees concurred in the view that authorization of this amount would provide the Foundation with at least minimal leeway in program planning for fiscal year 1970, particularly in view of the requests being made on the Foundation by other Government agencies for research assistance.

Total restoration of funds in the bill thus amounts to \$3.3 million.

The final two conference recommendations relate to changes in the language of the authorization bill.

First, the bill as passed by the House carried a proviso that all outstanding unfunded authorization accruing to the NSF should henceforth expire at the close of the first fiscal year after the fiscal year for which the authorization was enacted.

The Senate bill had originally provided that such authorization should expire at the close of the third fiscal year following the year of authorization.

The conference agreed to require that such authorization expire at the close of the second fiscal year following the year of authorization, as is required under the present NASA authorization bill.

Finally, the bill, as passed by the Senate, contained no provision relating to restraints to be applied to persons attending or employed by institutions receiving funds thereunder who violate the

law or the regulations of the institution. The House amended the bill to include such a provision.

The committee of conference chose to substitute a similar provision, but one which is already law in connection with five major Federal programs of higher education.

The committee of conference has thus included in the bill, with appropriate technical changes, the eligibility-for-student-assistance clause of the higher education amendments of 1968—Public Law 90-575, section 504.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE NO. 4 AND SUBCOMMITTEE NO. 5 OF THE COMMITTEE ON THE JUDICIARY TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 4 and Subcommittee No. 5 of the Committee on the Judiciary may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF ROLL CALL

Mr. GARMATZ. Mr. Speaker, on roll call No. 247, on yesterday, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

INCREASE IN MAXIMUM RATE OF PER DIEM ALLOWANCE FOR EMPLOYEES OF THE GOVERNMENT TRAVELING ON OFFICIAL BUSINESS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 337) to increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "\$22," and insert "\$25".

Page 1, line 5, strike out "\$35," and insert "\$40".

Page 1, line 7, strike out "\$15," and insert "\$18".

Page 1, line 10, strike out "\$22," and insert "\$25".

Page 2, line 1, strike out "\$35," and insert "\$40".

Page 2, line 2, strike out "\$15," and insert "\$18".

Page 2, after line 2, insert:

"SEC. 3. The seventh paragraph under the heading 'Administrative Provisions' in the Senate section of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out '\$16' and inserting in lieu thereof '\$25', and by striking out '\$30', and inserting in lieu thereof '\$40'."

Mr. BLATNIK (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments be dispensed with and that they be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. HALL. Mr. Speaker, reserving the right to object, I am not sure just exactly to which unanimous-consent request I am making a reservation; but, be that as it may, whether it is for immediate consideration of the Senate amendments or whether the statement of the managers on the part of the House are to be considered as read, I believe we ought to have a little time for an explanation of this request on the part of all Members. This is in order to give our silent consent to the Senate amendments to H.R. 337 which as I understand it, by courtesy of previous furnishing of information by the gentleman from Minnesota, has been increased.

I wonder, Mr. Speaker, if the gentleman would explain the differential between the House-passed act and the Senate amendments?

Mr. BLATNIK. Mr. Speaker, if the gentleman will yield, I shall be pleased to do so. The unanimous-consent request was for the further reading of the Senate amendments to be dispensed with and that they be printed in the RECORD. If we can agree to that, then I shall proceed with a discussion of them.

The SPEAKER. The gentleman from Missouri has reserved the right to object and has asked for an explanation of the Senate amendments.

Mr. HALL. Mr. Speaker, I will continue the reservation but I yield to the gentleman from Minnesota for an explanation at this time.

Mr. BLATNIK. I thank the gentleman from Missouri.

Mr. Speaker, H.R. 337 which was passed by the House on March 26, raised somewhat the per diem cost allowance for Government employees while on official business.

The basis of the cost estimates were a study made by the Bureau of the Budget in 1967. Now, this was before us last March when we acted on this bill. However, when the bill got over to the other body they decided to update the cost data and base it on the figures for 1969 subsistence costs. Thus they had a more current picture of the expenses involved and the Senate committee came up with these increases to the House bill.

We do have a detailed breakdown, item by item, as to the average food cost and as to the average hotel and motel rates for 14 major cities and 19 smaller cities. The average is about \$12.30. On the food cost, based on a survey of 400 hotels throughout the Nation, they reported a daily average of \$9.24. When you add to these figures the percentage for hotel and motel rates and the average res-

taurant price of an increase of 6.2 percent in 1969 as reflected in the consumer price index compiled by the Bureau of Labor Statistics, the total comes up to \$13.26 for lodging and \$9.82 for food, making the combined cost \$23.08 for board and room.

These are very hard figures, based on authoritative sources.

Mr. HALL. Mr. Speaker, does the gentleman plan to insert this material into the RECORD?

Mr. BLATNIK. The full statement will be inserted in the RECORD at this point.

Mr. HALL. I thank the gentleman.

Mr. Speaker, as I understand the information provided by the distinguished gentleman from Minnesota, there will be a \$3 increase in the per diem rate for full-time employees over what the House passed, and second, as I understand it, Mr. Speaker, there is a \$5 increase for the actual expenses allowed over that which passed the House on March 26 of this year, but based on the 1967 cost-of-living figures?

Mr. BLATNIK. That is correct.

Mr. HALL. And, third, there is an increase in the amount for employees traveling in foreign countries of \$3 more than that passed by the House?

Mr. BLATNIK. That is correct.

Mr. HALL. Mr. Speaker, it is my considered opinion that perhaps we have been taking money out of the pockets, or the regular pay checks of the people whom we are forcing to travel and live away from home on official Government business albeit excessive. I believe, as a matter of fact, I was in favor of the House-passed rate, and in view of the explanation of the gentleman from Minnesota about the different cost of living expense figures I believe I would have no objection to these three.

I understand there is another section in the Senate amendments which makes adjustments for part-time or intermittent employees when traveling on official business. I presume these are some of these \$100 a day per diem people, and what is this? Their living and actual out-of-pocket expenses in addition to their income, or does the gentleman have information on that?

Mr. BLATNIK. Yes. That is section 2, and that is for the part-time or intermittent employees such as the consultants the gentleman referred to. The rates would apply to them as to the regular full-time employees of the Federal Government.

Mr. HALL. Would this apply to some of those who have been set up in some of these consultation laboratories like Livermore or Rand Corp., or other means for obtaining high-salaried part-time consultants?

Mr. BLATNIK. Only if they are employees of the Federal Government. This just pertains to their per-diem for those occasions while they are traveling in the country or elsewhere.

Mr. HALL. Finally, Mr. Speaker, this would apply to those who have contracts with the Government for performance of duties under grants or contracts, or even scholarships; is that correct?

But if it were, then this overall general rule would not be applicable?

Mr. BLATNIK. It would not be applicable.

Mr. HALL. Mr. Speaker, I have one more inquiry: I notice that a section 3 was added by the other body which purports to make the same adjustment for that body's Members and employees, the same adjustments as what? The same adjustments as the House-passed bill, or what?

Mr. BLATNIK. They raised their per diem, they applied our per diem and lodging and other expenses relative to Government employees and intermittent employees, and they apply those rates also to their Senate employees, because they have jurisdiction over their Senate employees and no jurisdiction over the employees on this side.

Mr. HALL. This was agreed to by the conference out of comity to the other body, I presume?

Mr. BLATNIK. The other body has the right to set the per diem for its own employees.

Mr. HALL. Mr. Speaker, I can only say I hope we are a little bit more tidy in our own housekeeping and with our own employees.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that there was an increase for those traveling overseas?

Mr. BLATNIK. Yes.

Mr. GROSS. But not in proportion to the increase to those traveling in this country?

Mr. BLATNIK. It was a small proportion except the maximum limit of the increase before the House was \$15 a day and the Senate was \$18 a day.

This is an increase in the maximum additional amount depending upon the circumstances of the country in which the person or the employee may be traveling.

Mr. GROSS. Does this mean—I ask the question in view of the fact that we are going to have another foreign hand-out bill before the House one of these days soon—that inflation in foreign countries has not been as severe as it has been here? What is the reason that the increase was not in the same ratio as in this country?

Mr. GROSS. I learned recently of a \$260 a day consultant in the foreign aid outfit. Would he get expenses to go along with the \$260 a day—does the gentleman have any idea?

Mr. BLATNIK. It would depend on the basis on which he was hired. Normally there is no provision for travel and subsistence expenses in his original contract or agreement, then this would apply to the consultant. These are the maximums—it does not say it will have to be paid, it merely says the Secretary of State, authorizing the administrator or the agency could go up to that limit if the expenses of the particular mission justified it.

Mr. GROSS. Would the gentleman agree with me that if a consultant was paid \$260 a day, it would be outlandish to then give him expense money.

Mr. BLATNIK. Absolutely, I would agree with that. But I do not know if he were hired, it would be that high.

Mr. ERLBORN. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Illinois.

Mr. ERLBORN. Mr. Speaker, I would like to point out that allowances for actual expenses—both for domestic and foreign travel—in the bill, as passed by the House, were below the recommendations of the Bureau of the Budget.

It may have been a conscious effort on the part of the managers on the bill in the House to have this lower than the Bureau of the Budget recommendations with the almost certainty that the other body would increase these items. As increased, these items are in line with the recommendations of the Bureau of the Budget.

The only item above the Bureau recommendation is the \$25 per diem item which was \$22 in the House passed bill.

I would point out that \$25 per diem is the same as is allowed to House Members or employees.

I think these items, as in the bill passed by the other body, are reasonable and I support the motion of the gentleman from Minnesota to concur in the Senate amendments.

Mr. BLATNIK. I thank the gentleman.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman.

Mr. HAYS. I just want to say in regard to what the gentleman from Iowa said with reference to the \$260 a day contract that that was \$260 a day plus a per diem, and the AID and other agencies apparently have the power so far as they can achieve it through the usual signed contract with these so-called experts, any amount that comes into their head. There is no limit on the amount they can pay per diem.

The limit on the per diem, I happen to think the per diems in this bill are too low. If you go to any decent hotel in this country or abroad and get a small room with bath, you are going to pay more for the room than we are allowing for everything. But under the \$260 a day bit that was for their so-called services, whatever they were.

Mr. GROSS. I would assume that the best way to get at situations of this kind is to end this business of a foreign hand-out program, and I sincerely hope that I may have the help of the gentleman from Ohio to that end when the bill comes on the floor in a week or so.

Mr. HAYS. You are going to have the help of the gentleman, but I do not think it is going to be enough, unfortunately.

Mr. HALL. Mr. Speaker, I appreciate the remarks of the gentleman from Minnesota, and the gentleman from Illinois, and others, as far as the Senate amendments to H.R. 337 are concerned, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota that further reading of the Senate amendments be dispensed with?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. FULTON of Pennsylvania. Mr. Speaker, reserving the right to object, on the U.S. foreign aid bill, our House Foreign Affairs Committee reported it out today with practically a \$500 million cut from the administration request, so that we are keeping it down and we are being economical. I would like to call to the attention of the Members engaged in the previous colloquy the fact that in South Korea we have two American divisions there. They have 16 divisions on the line. I hope there will just not be a negative vote on the U.S. foreign aid program, because it would pull the rug out from under South Korea, a loyal ally with 40,000 troops beside our men in South Vietnam, even when they are in great trouble.

Mr. BLATNIK. Mr. Speaker, H.R. 337 was passed by the House on March 26 and recently returned to us from the Senate in amended form. The bill increases the maximum travel allowances for Government employees while on official business. The principal feature is the per diem which, we all know, is a flat rate reimbursement covering the average cost of subsistence, mainly hotel and food costs. The per diem is convenient to both the Government and the employee because it reduces the amount of record keeping and analysis which otherwise would be required. The bill also increases the maximum reimbursement for travel on an actual expense basis—only permitted in unusual circumstances—and the maximum additional amount over the per diem set by the State Department which may be paid when officials are traveling abroad. The present rates in these categories were set by the Congress in 1961 and as we clearly showed during debate last spring the cost of travel has increased markedly since then.

The bill as amended by the Senate made the following changes in travel allowances:

Section 1: First, increased the maximum per diem rate for full-time Federal employees traveling on official business from the present \$16 per day to \$25 per day. The House set \$22 per day.

Second, increased the maximum allowed for actual expenses from the present \$30 per day to \$40 per day. The House set \$35 per day.

Third, increased the maximum additional amount allowed for employees traveling in foreign countries when actual expenses are premitted from the present \$10 per day to \$18 per day. The House set \$15 per day.

Section 2 makes the same adjustments for part-time or intermittent employees when traveling on official business.

Section 3 was added by the Senate and makes the same adjustments for Senate Members and employees.

We recommend that the Senate amendments be accepted. The figures approved by the House were based primarily on a survey of travel costs made by the Bureau of the Budget in 1967. During our hearings, however, employee or-

ganizations presented data showing considerably higher costs than the Budget survey revealed. The Senate Committee on Government Operations decided to make a more current examination. Its report on the bill reveals the following:

In an effort to develop 1969 subsistence costs, the committee examined current statistical information supplied by the Bureau of Labor Statistics and found that, although the average rise in the Consumer Price Index between August 1968 and August 1969 for all items amounted to 5.6 percent, average hotel and motel rates increased 7.8 percent in that period, and restaurant prices rose 6.3 percent, or an average total of slightly in excess of 7 percent. Applying this percentage figure to the \$21.52 arrived at by the Bureau of the Budget would amount to \$23.03. In addition, the Bureau of Labor Statistics furnished the committee with information showing that, as of August 1969, average daily costs of hotel and motel rooms amounted to \$18.13 in the 12 largest metropolitan areas, and \$14.43 in smaller cities. Since these rates reflect double occupancy, the Bureau of Labor Statistics agreed that a reduction of \$2 in each figure would reflect average price rates of \$16.13 and \$12.43, respectively, or an average of \$14.28. Using an average daily rate of \$8 for restaurant food, total costs for lodging and food would be \$24.13 and \$20.43, respectively, or an average of \$22.28. Following the method used by the Bureau of the Budget, the committee then added an additional 10 percent to reflect miscellaneous allowable items, such as sales taxes, tips, and so forth, and arrived at total costs of \$26.54 and \$22.47, respectively, or an average cost of \$24.50.

As a check against these figures, the committee obtained from the American Hotel and Motel Association information compiled by accounting firms employed by the association, relative to travel costs for 1968, the latest year for which they were available. An analysis of average hotel and motel rates for 14 major cities and 98 smaller cities reflected an average daily rate of \$12.30, and food costs, based upon a survey of 400 hotels throughout the Nation, reflected a daily average of \$9.24. Adding to these figures the 7.8 percent increase for hotel and motel rates and the average restaurant price increase of 6.3 percent for 1969, reflected in the Consumer Price Index compiled by the Bureau of Labor Statistics, the committee arrived at a total of \$13.26 for lodging and \$9.82 for food, or a grand total for lodging and food of \$23.08 per day. To this was added the usual 10 percent for allowable miscellaneous expenses, bringing the total daily average cost for lodging and food to \$25.38.

Thus, the Senate found an average cost in excess of \$25 per day but proposed a maximum per diem of that amount.

Mr. Speaker, the basic problem is that travel costs, like other costs, are increasing so rapidly that even our statistical studies cannot keep up with them. I am afraid that if we do not act promptly on this bill even the higher Senate per diem figure will soon be obsolete.

We all agree that our Federal employees should not be required to subsidize the legitimate costs of Government out of their own pockets.

The other amendment made by the Senate provides that Senators and Senate employees be given the same allowances available to employees of the executive branch.

House Members and committee employees are governed by travel regula-

tions issued by the House Administration Committee—currently set at \$25 per day.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SUPPORT THE ECONOMIC ASSISTANCE PROGRAM

(Mr. MORSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORSE. Mr. Speaker, when President Nixon asked for our support of the foreign aid program, he spoke to us of "the economic miracles which foreign aid has helped create in Western Europe and in parts of Asia."

With your permission, I should like to recount to you some of these miracles.

All of us are aware of the miraculous recovery of the wartorn European economy under the Marshall plan. Today, as a result, our friends in Western Europe are strong partners of the United States in the task of development in other parts of the world.

Together, we are helping our less developed neighbors to achieve their own "economic miracles."

Taiwan—a once-impooverished island—was the first of the poor Asian nations to reach independent economic growth with our help. By the time U.S. aid ended in 1965, Taiwan had doubled the real income of its people. Eighty percent of all Taiwanese are now literate. Three-quarters of the farmers own their own land. Development programs are surging ahead on Taiwan.

Korea is another example. With U.S. help, the Korean economy is now setting a new record for industrial growth on mainland Asia. In 1968, Korean industrial output grew an astonishing 28 percent.

In India and Pakistan, the economic miracles are promising to end the centuries-long shortages of bread and rice. American research has developed the high-yield seeds, American loans have made possible the purchase of fertilizer and American experts are helping improve farming methods. The result is a dramatic agricultural breakthrough known as the green revolution.

President Nixon was not exaggerating when he spoke of the "economic miracles" at work today in Asia. I urge that we continue to make those miracles possible by supporting the economic assistance program.

CORRECTION OF ROLL CALL

Mr. MORSE. Mr. Speaker, on roll call No. 234, on October 20, a quorum call, I am recorded as present. Actually I was on official leave from the House. I was not present. I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to

the request of the gentleman from Massachusetts?

There was no objection.

DAY OF NATIONAL CONCERN

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, recently many of the wives and relatives of America's missing servicemen and prisoners of war in Vietnam assembled in Washington to participate in the activities concerning POW's and MIA's, including the 2 hours of speeches by over a hundred Members of Congress, a meeting with Secretary of Defense Laird, a reception I hosted for the families, which was attended by the members of the Joint Chiefs of Staff and the leadership of the House. Now, because of the concern for and support of these true Americans by Members of the Congress and others, much public attention finally has been focused on the inhumane treatment accorded our servicemen by the North Vietnamese and the Vietcong.

I am continuing in my efforts to have the Communists afford our men just and fair treatment under the terms of the Geneva Convention. Many of my colleagues have joined me in urging the President to declare Veterans Day, November 11, a "Day of National Concern" for the missing servicemen and prisoners of war in Vietnam. Today, I have also called upon the Governors of all the States to take the appropriate action to designate this day as a Day of National Concern in their State.

Mr. Speaker, another major effort is due to come late next month. I have asked the State Department and our delegation to the United Nations to speak before the United Nations in an effort to secure international cooperation to see that our men are not tortured, and are afforded treatment under the tenets of the Geneva Convention.

Mr. Speaker, wives and relatives have again been in touch with me asking if they can be of assistance, and whether or not they will be allowed to participate in the activities slated for the U.N. agenda. I hope it will be possible for many wives to be in New York at this time, but details of the U.N. effort are not complete. I will keep the Members of the House informed as details develop. In recent weeks, progress has been made and with our continued efforts, we may soon realize a breakthrough.

POSTAL REFORM

(Mr. QUIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, the "Pony Express" speed with which badly needed postal reform legislation is being considered in the Congress is extremely discouraging.

Since the President outlined the problems facing the Post Office Department last spring in his message calling for



Public Law 91-114
91st Congress, H. R. 337
November 10, 1969

An Act

83 STAT. 190

To increase the maximum rate of per diem allowance for employees of the Government traveling on official business, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5702 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$25", by striking out "\$30" and inserting in lieu thereof "\$40", and by striking out "\$10" and inserting in lieu thereof "\$18".

Federal em-
ployees.
Per diem
allowance,
increase.
80 Stat. 498.

SEC. 2. Section 5703 of title 5, United States Code, is amended by striking out "\$16" and inserting in lieu thereof "\$25", by striking out "\$30" and inserting in lieu thereof "\$40", and by striking out "\$10" and inserting in lieu thereof "\$18".

SEC. 3. The seventh paragraph under the heading "Administrative Provisions" in the Senate section of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "\$16" and inserting in lieu thereof "\$25", and by striking out "\$30", and inserting in lieu thereof "\$40".

70 Stat. 360;
75 Stat. 340.

Approved November 10, 1969.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 91-111 (Comm. on Government Operations).
SENATE REPORT No. 91-450 (Comm. on Government Operations).
CONGRESSIONAL RECORD, Vol. 115 (1969):

Mar. 26: Considered and passed House.

Oct. 8: Considered and passed Senate, amended.

Oct. 30: House concurred in Senate amendments.

